

## PURCHASE PROTECTION INSURANCE TERMS AND CONDITIONS

(Valid as of 1 May 2021)

### CONCEPTS AND DEFINITIONS

**Equivalent purchase** shall mean a product of a type and quality featuring similar essential performance characteristics, and the value of which is similar to the market value of the exchangeable purchase, which shall be determined by us.

**Insured person** shall mean a person with a property interest to whom we pay an insurance benefit.

**Policyholder** shall mean you or another person to whom the insurance contract was transferred after the purchase.

**Product warranty** shall mean a warranty service provided by the purchase manufacturer or seller.

**Deductible** shall mean the amount specified in the insurance contract by which the insurance benefit is reduced.

**Robbery** shall mean the seizure of a purchase by using or threatening to use physical violence or depriving the opportunity to resist.

**Family members** shall mean the persons living permanently together with you or the insured person and related by a joint household, for example, a spouse, cohabiting partner, parents, children, brothers or sisters.

**Your associated persons** shall mean the persons authorised in the procedure established by law, whom you have entrusted to store the purchase.

**Burglary** shall mean the seizure or attempted seizure of a purchase from the premises or a protected and enclosed area by means of a customised or original key obtained from a previous intrusion, robbery, or by hiding in the premises prior to its closure, if respective evidence is available.

**Purchase screen** shall mean a flat panel or part of an electronic device that displays certain information, such as data (letters, numbers), images and graphic elements.

### WHAT INSURANCE COVER INCLUDES

1. The insurance cover shall apply to goods purchased or rented by you for household, cultural or economic needs, except for goods with a warranty of less than 1 (one) year, vehicles (except kick scooters, segways or bicycles) and their parts, weapons and fishing equipment, power generation equipment, software and data, and any good for resale.

2. Insurance coverage applies worldwide.

### PURCHASE PROTECTION INSURANCE

3. If the purchase protection insurance is selected, the insured event will be considered to be sudden and unexpected losses due to damage to the purchase occurring due to external impacts (breakage, cracking, exposure to liquids, etc.), as well as theft with burglary and robbery.

4. The exclusions shall be considered to be damage due to:

4.1. Internal failure of a purchase not caused by external factors;

4.2. Loss of a purchase or leaving it unattended in public places, in an unlocked premises or buildings;

4.3. Theft of a purchase from a vehicle left inside in a visible place or in an unlocked vehicle or a vehicle's unlocked trunk.

### PURCHASE SCREEN INSURANCE

5. If the purchase screen insurance is selected, the insured event shall be considered to be sudden and unexpected losses due to damage to the purchase screen, which was manifested by external impacts (breakage or cracking).

6. In case of the purchase screen insurance, we provide indemnification for two insured events during each 12-months' period commencing on the effective date of the insurance coverage.

7. Damages due to an internal failure of the purchase screen that was not caused by an external factor shall be deemed an exclusion.

### EXTENDED WARRANTY INSURANCE

8. If the extended warranty insurance is selected, sudden and unexpected internal failures of the purchase shall be deemed an insured event.

9. The exclusions shall be considered to be damage due to:

9.1. Defects covered by the product warranty;

9.2. Damage caused in excess of the duty cycle specified for the purchase;

9.3. Expenses related to the periodic maintenance and repairs of the purchase.

### GENERAL EXCLUSIONS

10. The exclusions shall be considered to be damages incurred due to:

10.1. war, invasion, hostile acts of a foreign state, riots, strikes, lockouts, internal unrest, acts of terrorism, destruction, damage, confiscation or arrest by public authorities;

10.2. nuclear reactions, radiation and radioactive contamination;

10.3. exposure to insects, rodents, parasites, animals or pets;

10.4. corrosion, mould, rot, fungus, natural wear and tear;

10.5. use of defective, poor quality, unsuitable parts and equipment;

10.6. loss of purchase, ordinary theft (without intrusion), deception, misappropriation and fraud;

10.7. errors and defects subject to the liability of the manufacturer, supplier, seller, installer or a warranty service company;

10.8. electricity, heat or gas supply disruption;

10.9. prolonged accumulation of water or condensation of vapours;

10.10. exposure to liquids (water, detergents, etc.) used for washing or cleaning;

10.11. scratches, folds or loss of aesthetic appearance, when this does not interfere with the use of the purchase;

10.12. improper use of the purchase or use in violation of the manufacturer's requirements, incorrect connection or installation, improper service or maintenance, for example, neglect of the coffee machine (unchanged filters, ignoring cleaning instruction, etc.);

10.13. modification or installation of the purchase;

10.14. intentional actions performed by you and your family members and associated persons;

10.15. intoxication from alcohol, drugs or psychotropic substances;

10.16. costs incurred for diagnostics and transportation of the purchase, if this has not been approved by us;



- 10.17. use of the purchase for commercial or professional purposes, unless otherwise agreed;
- 10.18. purchase transferred for use to your associated persons or third parties;
- 10.19. purchase (de)installation and transportation by third parties;
- 10.20. unknown circumstances of the event (time, place, etc.);
- 10.21. targeted heat treatment (melting, welding, drying, ironing, burning, etc.);
- 10.22. theft that was not immediately reported to the police;
- 10.23. viruses or spyware, ignoring software updates or failures;
- 10.24. indirect losses incurred due to lack of access to the product (subscription fee, etc.);
- 10.25. uninsured items incorporated in the purchase;
- 10.26. change, absence, discrepancy or damage to the purchase serial numbers;
- 10.27. other equipment acquired at the same time as the purchase;
- 10.28. use of a technically compromised purchase when it required repairs;
- 10.29. failures or spare parts and labour costs incurred as a result of the manufacturer's recall;
- 10.30. failures and wear of controllers (e.g., TV remote consoles), batteries, accumulators (including when they are an integral part of the purchase) and chargers;
- 10.31. parts of the purchase which, according to their purpose or nature of work, tend to wear out, expend or which require regular replacement.

#### **PAYMENT OF INSURANCE BENEFIT**

- 11. We pay the insurance benefit only on the principle of reimbursement of expenses and in the manner specified in the insurance contract – replacement of the purchase with a new one or its repair.
- 12. If you choose to replace your purchase with a new one, we will reimburse you for losses incurred in purchasing the same or an equivalent purchase, however, upon your request, we can arrange for the repair of the purchase.
- 13. If you choose the repair method of the purchase, we will reimburse the repair costs necessary to recover the condition of the purchase existing before the insured event.
- 14. If the total amount of repairs exceeds the sum insured or if it is not possible to make repairs, we can always replace the purchase with the same or an equivalent one.
- 15. Upon replacement of the purchase with another one, it shall be considered that the insured property no longer exists and the insurance contract ends as executed.
- 16. When the repair costs are reimbursed, you must contact our designated repair company for any repairs.
- 17. We will reimburse the costs of transportation of a purchase that weighs more than 10 kg to a repair company and back to you in the territory of Lithuania.
- 18. We reserve the right to take over the remainder of the purchase after repairs or its replacement.

#### **SUM INSURED**

- 19. The sum insured may not exceed the insurance benefit. This amount is equivalent to the purchase value at the time of acquisition and we shall not be responsible for an incorrectly determined sum insured. The sum insured is specified in the insurance contract.
- 20. The sum insured is recoverable, i.e., it is not reduced by the paid out insurance benefit, except in case of replacement of a purchase with an equivalent one.

#### **PAYMENT AND REFUND OF INSURANCE PREMIUMS**

- 21. The amount of the insurance premium, payment terms and methods are specified in the insurance contract.
- 22. The obligation to pay insurance premiums shall remain also after the termination of the insurance contract.
- 23. If the premium or its part is not paid on time, we may charge a 0.02 percent interest on the unpaid amount for each day of delay of payment.
- 24. We can arrange for insurance premiums to be deducted from your bank account automatically, if you correctly take all the necessary steps required by your payment service provider.
- 25. We will refund you the full insurance premium paid if you decide to cancel the insurance contract within 30 days of conclusion thereof.
- 26. We will refund the unused balance of the insurance premium paid, if:
  - 26.1. due to the manufacturer's defect, the purchase is returned to the manufacturer or seller of goods;
  - 26.2. in case of loss or destruction of the purchase not due to the insured event, when evidence confirming this fact has been submitted;
  - 26.3. if you prematurely terminate the insurance contract for any reason.
- 27. The unused part of the insurance premium shall be calculated and refunded in proportion to the period remaining until the expiry of the insurance cover specified in the insurance contract, after deducting the costs of administration and performance of the contract. The contract administration and execution costs are calculated according to the following formula:  $(0.3 \times X) + Y - Z$ , where X – the part of the insurance premium proportional to the period remaining until the expiry of the insurance cover specified in the insurance contract; Y – the amount of insurance benefits paid and expected to be paid under the insurance contract; Z – the subrogation of recovered benefit.
- 28. We shall not refund the unused balance of the insurance premium paid, if the purchase is lost or destroyed due to the insured event. In such cases, it shall be deemed that after paying the insurance benefit (replacing the purchase with another), the sum insured shall be considered exhausted, and the contract shall automatically expire as executed, and the unused balance of the insurance premium shall not be generated.
- 29. The cases of refund of the insurance premium or part thereof specified in the present terms and conditions are final, and the premium or part thereof shall not be refunded for any other reasons not specified in the terms and conditions.

#### **CALCULATION AND PAYMENT OF THE INSURANCE BENEFIT**

- 30. The insurance benefit shall be equal to the amount of the loss, which we determine in accordance with the terms and conditions of the contract, the rules and evidence supporting the fact and amount of loss.
- 31. You must present the following:
  - 31.1. An application for payment of an insurance benefit in the established form;
  - 31.2. Purchase acquisition documents;
  - 31.3. Proof of notification of the event to the competent authorities, when necessary;
  - 31.4. Data confirming the amount and fact of the loss;
  - 31.5. Information regarding the person responsible for the damage.
- 32. If the method of indemnification provides for the repair of the purchase or you prefer this method and it is economically expedient to repair the purchase, we shall pay the insurance benefit to the repair company, and you shall pay the amount of deductible to us.
- 33. Upon replacement of a purchase with a new one, the insurance benefit shall be equal to the acquisition value of the same or equivalent purchase, less the deductible and insurance premiums payable.



34. When replacing a purchase with a new or an equivalent one, we can refer you to any seller. We shall pay the insurance benefit to the seller directly.

35. In case of purchase screen insurance, we shall pay the screen repair costs to the company performing the repair. If the repair company identifies other damaged parts of the purchase, you will have the opportunity to arrange the complete repair of the purchase directly with the repair company, while we will reimburse the share of the screen repair costs. We will also be able to make arrangements for the replacement of your purchase with another purchase, the acquisition value of which is equal to the cost of replacement of your purchase screen.

36. We will investigate the event within 30 (thirty) calendar days, from the date of receipt of all the necessary information, determining the fact, circumstances and amount of loss of the insured event. If the investigation lasts longer, we will keep you informed of the progress of the investigation.

37. If the investigation lasts longer than 3 months and we still did not agree on the amount of the insurance benefit, at your request, we will be able to pay the undisputed amount.

38. We will deduct the unpaid insurance premiums, which are due for payment, from the insurance benefit. When we replace a purchase with another one, we may claim all outstanding insurance premiums, regardless of their payment terms.

39. If the person responsible for the damage has at least partially compensated you for the damage, we shall reduce the insurance benefit by the corresponding amount.

40. The insurance benefit shall be reduced or shall not be paid, if:

40.1. you have provided incorrect information about the purchase and the circumstances that are essential for the assessment of the insurance risk and the amount of damages;

40.2. you failed to notify the competent authorities and bodies of the incident in a timely manner, in cases where notification is mandatory;

40.3. you failed to notify use about the event in due time, if it resulted in increased damage or loss of opportunity for us to determine the circumstances of the event;

40.4. you failed to fulfil the obligations under the insurance contract and our instructions;

40.5. you failed to take any actions that could reduce the damages.

41. The insurance benefit shall not be paid if we have been provided with incorrect information about the insured event.

## **CONCLUSION AND TERMINATION OF THE INSURANCE CONTRACT**

42. The term of validity of the insurance contract is stated in the contract. The contract shall take effect only upon payment of the full or first instalment of the insurance premium, if we have agreed to payments in instalments.

43. If you are late in paying the premium or its first instalment, when it is set out, the insurance contract shall enter into force only from the next day after the payment of the premium, if this premium was paid no later than within 1 (one) month from the term. established in the contract. In this case, the term of the insurance contract shall not be extended. If the premium has not been paid longer than 1 (one) month, the insurance contract shall not enter into force and will be automatically terminated, and we shall not be obliged to inform you about it.

44. If only part of the total insurance premium or the first instalment thereof, if so agreed, has been paid, the insurance contract shall not enter into force and the insurance cover shall not be provided.

45. If you do not pay the insurance premium or part thereof, the payment of which is not linked to the entry into force of the insurance contract, the insurance coverage shall be automatically suspended without a separate

notice, and we shall have the right to terminate the insurance contract in accordance with legal acts.

46. You must provide us with information that may affect the assessment of the insurance risk, the probability of the insured event and the amount of damage. We may request the following information:

46.1. an application for conclusion of the insurance contract in the established form;

46.2. separately in writing;

47. You must provide information on whether the purchase is insured by other insurance companies.

48. The insurance contract expires:

48.1. upon expiration of the term specified in the insurance contract;

48.2. by mutual agreement or unilaterally at your initiative, with at least a 15-days' notice in writing;

48.3. at our own initiative, on the grounds provided for by law or the insurance contract, from the date specified in our notice;

48.4. upon destruction or loss of the purchase, including theft, even upon occurrence of the insured event.

49. You can annul the insurance contract within 30 days of its issuance by submitting the requested documents.

50. We can agree and state in the insurance contract that upon expiration of the insurance coverage, we will automatically extend the insurance coverage for the same purchase. For this purpose, we will provide you with a new insurance contract in due time and, if you have previously correctly performed all the necessary steps required by your payment service provider, the insurance premium will be automatically deducted from your bank account. This way, your purchase will have an uninterrupted insurance coverage. However, if you change your mind about renewing the contract, you will be able to cancel it no later than within 30 calendar days and we will refund the deducted insurance premium. If the insurance premium is not deducted automatically, the new insurance contract will enter into force in accordance with the provisions of paragraphs 42-44.

## **YOUR RIGHTS AND DUTIES**

51. You must notify us no later than within 3 (three) business days about all circumstances that may affect the occurrence of damages to the purchase damage and its amount, otherwise we may terminate the contract and claim compensation of damages to the extent that they are not covered by the insurance premiums received.

52. Upon receipt of information about the increase in insurance risk, we may change the terms of the insurance contract and request payment of an additional insurance premium. However, if the insurance risk decreases, you can request that we change the terms of the contract and reduce the insurance premium.

53. Upon occurrence of an insured event, shall be obliged:

53.1. to take measures to prevent and reduce further damage;

53.2. to notify us about the event no later than within 3 (three) business days;

53.3. to immediately notify the competent authorities and services of the event, if mandatory;

53.4. to follow our instructions and facilitate conditions for the investigation of the event.

54. You shall have the right to terminate the contract at any time. To do this, we will need your written request submitted no later than 15 calendar days prior to the expected termination date.

55. You shall have the right to access your personal data processed and to request for any inaccuracies to be corrected or to object to the processing of your personal data.



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**OTHER PROVISIONS**

56. Insurer (we) – Compensa Vienna Insurance Group ADB, registration number 304080146, address Ukmergės g. 280, Vilnius, tel. 19111, fax +370 5 273 81 80, info@compensa.lt, www.compensa.lt.

57. Our rights and obligations arising from the insurance contract may be transferred in accordance with the procedure established by law. If you disagree, you may terminate the contract within one month of the transfer of rights and obligations and we shall refund the full unused part of the insurance premium without application of the contract administration and performance fee.

58. We will investigate your infringement complaint and reach a decision within 15 days. If you are not satisfied with the decision, you have the right to appeal to the Bank of Lithuania or to initiate civil proceedings in court.

59. The issues not provided for in the terms and conditions and in the insurance contract shall be resolved in accordance with the provisions of the Civil Code, the Law on Insurance and other applicable legal acts. The present insurance contract shall be governed by the law of the Republic of Lithuania.

**Deividas Raipa**  
Chairman of the Board

**Felix Nagode**  
Member of the Board