

TERMS AND CONDITIONS OF ACCIDENT INSURANCE OJ100/2017

Valid from: 21.03.2017



These terms and conditions of insurance (hereinafter also terms and conditions) form a part of the accident insurance contract entered into by AB Lietuvos draudimas Estonia branch (hereinafter insurance undertaking or PZU) and the policyholder. These terms and conditions of insurance are applied with PZU general terms and conditions of insurance contracts. In matters not regulated in the terms and conditions of insurance the parties to the insurance contract follow the Law of Obligations Act and other legislation.

1. Definitions

- 1.1. **The insurer is** AB Lietuvos draudimas Estonia branch (hereinafter referred to as PZU*).
- 1.2. **Insured person** means the policyholder or the natural person who is specified by name in the insurance contract and whose risk has been insured. An insured person may be 1 to 75 years old at the time of signing the policy. An insured person may not be a person with an intellectual or physical disability who is not capable of managing on a daily basis without a guardian.
- 1.3. **Minor** is an insured person who is not older than 18 years old at the time of the occurrence of the accident.
- 1.4. **Beneficiary** is a person determined by the policyholder in the insurance contract with the written approval of the insured person who is entitled to the death indemnity upon the death of the insured person. If the beneficiary has not been specified by name or if the beneficiary is less than 18 years of age, the death indemnity will be paid to the successor(s) of the insured person. If the beneficiary is the policyholder, the insurer is obliged to pay the insurance indemnity only in case the policyholder submits either the insured person's written consent for the entry into a contract or such consent in a manner capable of being reproduced in writing.
- 1.5. **Policyholder** is a natural or legal person who has signed an insurance contract.
- 1.6. **Sum insured** is the maximum amount to be compensated per insured person and per insured event. In case of loss of capacity for work the sum insured is considered to be the limit of indemnity of a loss of capacity for work of every insured person.
- 1.7. **Insured event** is an unexpected event that occurs against the free will of the insured person during the time of validity of the insurance contract and under the terms and conditions agreed upon in the insurance contract as a result of which an external force causes physical harm or the death of the insured person.
- 1.8. **Insurance indemnity** means a sum of money that is paid after the insurance event. The amount of the indemnity per insured event depends on the injuries caused to the insured person as a result of the insured event and the limits of insurance indemnity agreed upon in the insurance contract.
- 1.9. **Deductible** is a part of damage established in the insurance contract to be incurred by the policyholder of the damage to be compensated in case of each insured event. The amount of the deductible shall always be incurred by the policyholder and the insurer shall not compensate it. Deductible shall be deducted last from the damage to be compensated.
- 1.10. **Limit of indemnity** is the maximum amount specified in the insurance policy that the insurer shall pay for each insured event.

2. Types of indemnity

- 2.1. **Death indemnity**
Death indemnity is paid if the insured person is deceased as a result of the insured event or within one year after the date of occurrence of the insured event.
- 2.2. **Indemnity for a loss of capacity for work**
 - 2.2.1. If the insured person suffers a permanent mental or physical personal injury, i.e. a disability, as a result of an insured event and as determined under the terms and conditions, the insurer will pay indemnity for the loss of capacity for work. A loss of capacity for work is permanent if a function of a part of body or sense that has to ensure the normal functioning of a part of body or sense has not recovered within one year of the insured event.
 - 2.2.2. The existence and extent of the loss of capacity for work is determined by an expert physician assigned by the insurer. The existence and extent of the loss of capacity for work is determined when one year has passed of the insured event, taking into account the state of health of the insured person at the time when the size of the indemnity of a loss of capacity for work was established. If an injury is permanent and the recovery of the insured person is unlikely, the extent of a loss of capacity for work may be determined before one year has passed. Indemnity for a loss of capacity for work will not be paid if a loss of capacity for work occurs later than a year after the accident. If the state of health of the insured person worsens after the determination of the indemnity for a loss of capacity for work, additional indemnity for a loss of capacity for work shall not be paid.
 - 2.2.3. Indemnity for the loss of the capacity for work is determined on the basis of medical documentation and compensation is paid as a percentage of the agreed limit of compensation of indemnity for a loss of capacity for work.
 - 2.2.4. The percentage amount of the loss of capacity for work is determined on the basis of the table of compensation valid at the time of entry into the insurance contract. If the injury of a part of body or sense resulting from the insured event cannot be determined according to the table of compensation specified, the compensation decision is made based on the injury of a similar degree in severity.
 - 2.2.5. Only the severity and nature of injury is taken into account when determining the compensation for the loss of capacity for work. Subjective circumstances arising from the insured person – the profession, hobbies, the way of life, etc., of the insured person – are not taken into account. A decrease in income is not taken into account when determining the compensation for the loss of capacity for work.
 - 2.2.6. If the insured person is entitled to receive compensation based on more than one item in the table of compensation, the compensations in question will be added making sure that the total compensation does not exceed the limit of compensation for the loss of incapacity for work agreed in the insurance contract.
- 2.3. **Daily allowance**
 - 2.3.1. Daily allowance will be paid if, as a result of an insured event, the insured person has suffered temporary incapacity for work that lasts for at least seven days.
 - 2.3.2. Daily allowance will be paid for every day spent on a certificate of incapacity for work regardless of whether the treatment constitutes inpatient treatment or outpatient treatment. Daily allowance will be also paid if the insured person has been established to be incapable of work by a decision of a panel of medical expertise.

- 2.3.3. The size of the daily allowance on the first four calendar days is 100% of the insured person's daily net income and starting with the fifth calendar day 30% of the daily net income.
- 2.3.4. Daily allowance is paid to one working legal representative of an underage insured person for the calendar days on care leave if the representative has to be away from work in connection with the insured event that occurred with the underage insured person and the insured legal representative had chosen daily allowance as additional protection. In such case the legal representative is paid 20% of his/her daily salary.
- 2.3.5. The calculation of daily salary is based on the net income of the insured person.
- 2.3.6. Net income is the income subject to social tax that the insured person has received within six calendar months immediately preceding the calendar month of the occurrence of the insured event less the taxes payable by law.
- 2.3.7. To calculate the daily salary the net income of the insured person is divided with the number of calendar days in the six calendar months immediately preceding the calendar month of the insured event. If the injured person received income during a period that is shorter than the six months that immediately preceded the insured event, the actual income received during the aforesaid period and the duration of the respective period in calendar days will be taken into account.
- 2.3.8. If an insured person is an entrepreneur at the time of the insured event, net income is the income subject to social tax declared in the entrepreneur's tax declaration of the last calendar year. If the insured person was an entrepreneur before the insured event for less than one calendar year, the net income is calculated based on the income earned during the time of operating as an entrepreneur and the duration of the period of time in calendar days.
- 2.3.9. If an insured person has not received any net income during the 12 calendar months that preceded the insured event, the daily allowance is calculated based on the minimum monthly wage valid at the time of the insured event.
- 2.3.10. If necessary the calculation is based on the income declared with the Tax and Customs Board.
- 2.3.11. Daily allowance shall be paid during a period of up to six months from the day of the insured event.
- 2.3.12. The payment of the daily allowance shall end starting with the day when:
- 2.3.12.1. the insured person commences work;
- 2.3.12.2. the incapacity for work specified on the certificate of incapacity for work or the incapacity for work assigned with the decision of the medical expert opinion to the insured person ends;
- 2.3.12.3. the insurer appoints compensation for the loss of capacity for work to the insured person.
- 2.4. Pain and suffering indemnity**
- 2.4.1. If an insured person suffers temporary damage to health as a result of an insured event and the treatment thereof lasts for at least seven days, the insurer will pay the pain and suffering indemnity. The duration of treatment must be certified by a medical institution. The requirement of a duration of treatment does not apply to bone fractures proven with an X-ray test.
- 2.4.2. Pain and suffering indemnity is one-off compensation the percentage amount of which is determined based on the table of indemnity and compensation for loss of work capacity (hereinafter referred to as table of compensation) valid at the time of entering into the insurance contract, pursuant to the limit of compensation agreed upon in the insurance contract. In case the insured event has a consequence not specified in the table of compensation, the compensation decision is made based on the injury of a similar degree of severity.
- 2.4.3. If the insured person is entitled to receive indemnity based on more than one item in the table of compensation, the compensations in question will be added taking into account that the total compensation does not exceed the limit of compensation for indemnity agreed in the insurance contract.

2.5. Indemnity for medical treatment expenses

- 2.5.1. Any reasonable and justified medical treatment expenses that are not indemnified by the Estonian Health Insurance Fund are indemnified under the indemnity for medical treatment expenses. Medical treatment expenses that have been incurred within one year after the occurrence of the insured event will be compensated. Medical treatment expenses will be compensated on the basis of invoices submitted by a state or municipal medical institution, private medical institution or a rehabilitation centre that has been registered in the Republic of Estonia. If a person has no valid health insurance with the Estonian Health Insurance Fund, indemnity will be compensated to the person in the same manner as to those with health insurance from the Health Insurance Fund.
- 2.5.2. Indemnification shall cover the following:
- 2.5.2.1. Essential examination and treatment costs (incl. necessary and reasonable medicament costs) indicated and/or prescribed by a doctor, except cost of psychotherapy;
- 2.5.2.2. reasonable physical therapy and remedial exercise costs considered necessary for treatment and prescribed by a specialist doctor;
- 2.5.2.3. reasonable costs for the purchase or rental of medical equipment necessary for treatment purposes previously coordinated with the insurer;
- 2.5.2.4. the costs for fixing glasses, hearing aid, prosthesis/prostheses, etc., used by the insured person and damaged as a result of the insured event or the costs for the purchase of an equivalent item in an amount of up to 600 euros;
- 2.5.2.5. treatment costs for dental injury resulting from the insured event, except the costs for injuries that occur as a result of biting or chewing.

3. Validity of insurance cover in case of sports activities

- 3.1.** In case of sports insurance cover applies without special agreement, except in case of competitive sports and practice thereof or when involved in the sports activities listed in clause 3.5.
- 3.2.** In case of competitive sports and practice thereof insurance cover applies only if it has been agreed upon in the insurance contract.
- 3.3.** Competitive sports is an activity whose objective is achieving success in a public sports competition. Public sports competition means participating in tournament, cup and league competitions, Estonian championships or international championships, and preparing for such competitions. Taking part in popular sports events is not considered competitive sports.
- 3.4.** In case of an underage insured person insurance cover also applies in case of competition sports without special agreement, except for the exclusions described in clause 3.5.
- 3.5.** The following fields of sports shall not be covered by insurance (including practices and competitions):
- 3.5.1. alpinism, ice climbing, rock climbing, wall climbing, mountaineering, rafting, or other similar activities;
- 3.5.2. engaging in winter sports outside the marked trails of winter sports centres;
- 3.5.3. motorsports (ATV-driving and racing, motorcycle, motor sleigh and other such fields), including the practice thereof, taking part in testing motor vehicles;
- 3.5.4. air sports, glider flying, flying with a hot air balloon, gliding, hang-gliding, riding on an ultra-light or amateur-built aircraft and parachuting or bungee-jumping;
- 3.5.5. underwater sports, incl. diving deeper than 20 metres;
- 3.5.6. extreme sports (downhill biking, free-riding, bike and skateboard tricks, acrobatics, rugby, speed skiing, heli-skiing, kiteboarding and surfing, etc.);
- 3.5.7. being involved in karate, boxing (including Thai boxing, kickboxing, etc.) or other combat sports;
- 3.5.8. expeditions and hikes to the mountains, polar regions, jungles, deserts, caves, wild regions without a professional guide;

- 3.5.9. engaging in any other sports events or activities comparable to those specified above in the course of which the risk of sustaining bodily injuries, falling ill or dying is higher than usual.

4. Validity of insurance cover when working on a position with a heightened risk

- 4.1.** Insurance cover applies when working in a field of activity of a heightened risk only if it has been separately agreed upon in the insurance contract, except the fields of activities/professions specified in clause 4.3.
- 4.2.** Such positions of heightened risk are drivers of motor vehicles, including buses, builders, operators of machinery or equipment, operational personnel (including police officers, fire and rescue workers, etc.), chimney sweeps, arborists, divers, miners or other mine workers, farm workers, forestry workers, professional athletes, ship crew members, border guards, security guards, cash collectors, stunt performers, ballet dancers, professional dancers, cleaners and handlers of explosive substances, also people who work as temporary agency workers in any position.
- 4.3.** Insurance cover does not apply to the members of any kind of aircraft either when in the reserves or on active duty in the defence forces or when on a military mission.

5. General exclusions

- 5.1.** The insurance does not cover damage:
- 5.1.1. that has not been caused due to an insured event;
- 5.1.2. that has been caused by cerebral apoplexy, a fit of epilepsy or other events of cramps;
- 5.1.3. that has been caused by the use of nuclear energy for any kind of purpose or from such energy getting out of control or radioactivity; terrorism, war, civil war, invasion, any armed conflict, mass riot, civil disturbance, revolution, coup d'état, strike, confiscation, arrest or lock-out;
- 5.1.4. that has emerged as a result of treatment, except in case the need for treatment resulted from the insured event;
- 5.1.5. that has emerged as a result of bacterial infection (e.g. caries, Lyme's disease, etc.). Except damage that has been caused as a result of tetanus, rabies and other infections that are passed on through a wound received in the insurance event;
- 5.1.6. damage that is caused by HIV or AIDS and hepatitis B or C;
- 5.1.7. that is caused by childbirth, pregnancy or miscarriage;
- 5.1.8. that is caused by changes in spinal curves, internal or cerebral haemorrhaging, lower body or inguinal hernia, except if these have emerged as a result of the insured event;
- 5.1.9. that is caused by poisoning resulting from solid substances or liquids that have been voluntarily consumed (alcohol poisoning or of any narcotic substances, food poisoning, salmonellosis, dysentery, etc.);
- 5.1.10. that is caused by mental illness or medically diagnosed mental disorders and the related injuries;
- 5.1.11. that has emerged as a result of suicide or suicide attempt;
- 5.1.12. that has emerged as a result of self-damage or putting one's own health at risk;
- 5.1.13. the emergence of which was influenced by the alcoholic, narcotic or other intoxication of the insured person;
- 5.1.14. that has emerged in connection with the detention of the insured person or the stay of the insured person in a custodial institution as an imprisoned person;
- 5.1.15. that is compensated under the law or some other compulsory insurance;
- 5.1.16. that has emerged in a role of a driver of a motor vehicle in a traffic accident in a situation where the insured person did not hold the right to drive a motor vehicle of the category in question.

6. Obligations of the policyholder, the insured person and the beneficiary

- 6.1.** Upon entry into the insurance contract the policyholder and/or the insured person is obliged to notify the insurer

about any and all material circumstances known to him or her, which affect the insurer's decision to enter into the insurance contract or to do it on the agreed additional conditions.

- 6.2.** The policyholder and/or the insured person is obliged to notify the insurer immediately of an increase in the insured risk.
- 6.3.** The insured person is obliged to take any steps necessary for the prevention of the insured event and possible damage.
- 6.4.** The policyholder and/or the insured person shall not increase the insured risk and shall not allow it to be increased by third person(s).
- 6.5.** The insured person shall refer to a doctor as soon as possible after the insured event, follow the doctor's instructions and make every effort to prevent an increase in the injury caused by the insured event;
- 6.6.** The insured person shall inform the insurer within five working days at the latest in a manner capable of being reproduced in writing either personally or by mediation of other persons, by submitting data concerning the event and the estimated treatment time, and fulfilling the instructions of the representative of the insurer henceforth;
- 6.7.** The insured person shall notify the police as soon as possible of bodily injury caused by third person(s) and/or the occurrence of an offence either personally or by the mediation of other persons.
- 6.8.** The insured person shall at the request of the insurer and within the term specified by the insurer attend a medical examination with the physician specified by the Insurer.
- 6.9.** The insured person shall provide the insurer with necessary information, explanations and documents, authorise the insurer to apply for the aforementioned or submit the aforementioned themselves at the request of the insurer.
- 6.10.** Policyholder or beneficiary shall notify the insurer as soon as possible of the death of the insured person.
- 6.11.** The burden of proof regarding the occurrence of an insured event lies with the policyholder, insured person or the beneficiary. The person in question shall provide the insurer with the information necessary for the verification of the performance of the insurer's contractual obligations.

7. Compensation for damage

- 7.1.** Daily allowance, pain and suffering indemnity and indemnity for the loss of capacity for work shall be paid to the insured person; the indemnity for medical treatment shall be compensated directly to the medical institution or to the insured person based on expense receipts.
- 7.2.** Death indemnity will be paid to the beneficiary.
- 7.3.** Insurance indemnities earlier paid out based on the same event that resulted in the insured event shall be deducted from the death indemnity. If the insurance indemnity paid out earlier exceeds the death indemnity, the insurance indemnity already paid out shall not be reclaimed.
- 7.4.** Insurance indemnities earlier paid out based on the insured event shall be deducted from the compensation for the loss of capacity for work. If the insurance indemnity paid out earlier exceeds the compensation for the loss of capacity for work, the insurance indemnity already paid out shall not be reclaimed.
- 7.5.** The insurer has the right to verify the correctness of the submitted information and request the submission of additional documents proving the occurrence of the insured event.
- 7.5.1. The insurer has the right to set off the overdue insurance premium until the end of the insurance period against the obligation of performance of the insurance contract.
- 7.5.2. If the emergence of the insured event or the results thereof were influenced by previous and/or existing illnesses or bodily injuries or if the time spent on treatment was not justified, the insurer shall be entitled to decrease the insurance indemnity payable in the extent of the respective effect or refuse to pay the indemnity.

8. Release of the insurer from the obligation to perform the insurance agreement

- 8.1.** The insurer shall be partially or fully released from the obligation to perform the insurance contract if:
- 8.1.1. the policyholder or persons considered equal to the policyholder have not fulfilled at least one of their contractual obligations and the breach of contract has an effect on the obligation of the insurer to fulfil the contract or to the extent thereof;
- 8.1.2. the policyholder has failed to pay the insurance premium by the agreed date (if the insurance premium is paid in instalments, not later than by the additional due date specified by the insurer) and the insured event occurs after the agreed due date of the insurance premium;

- 8.1.3. the policyholder, the insured person or the beneficiary has misled or attempted to mislead the insurer in terms of the circumstances and/or size of damage or tried to deceive the insurer in another manner in respect of the insurance contract or the circumstances of performance thereof;
- 8.1.4. the insured person has caused the accident intentionally or out of gross negligence;
- 8.1.5. the insured event has occurred in connection with a crime being committed by the insured person or an attempt thereof.
- 8.2.** When making a decision on the extent of the release from the obligation to perform the insurance contract the insurer shall take into account the effect of a breach of contract to the occurrence of an insured event and the obligation of the insurer to perform the contract.