

Employer's Liability Insurance Terms and Conditions 1/2020

Effective as of 1 July 2020

These employer's liability insurance terms and conditions form part of the employer's liability insurance contract entered into between the Estonian Branch of Compensa Vienna Insurance Group, ADB, the brand of which in Estonia is Seesam (hereinafter Seesam), and the policyholder.

1 PURPOSE OF INSURANCE

- 1.1 The purpose of the employer's liability insurance is to indemnify the damage caused to the third party by the insured person due to an occupational accident or occupational disease as well as the costs for legal assistance and expert assessment incurred by the insured person for combating the claims for indemnification of damage filed against the insured person in accordance with the procedure and within the scope provided by the insurance terms and conditions.
- 1.2 Employer's liability insurance is voluntary liability insurance.

2 DEFINITIONS

- 2.1 **Insurer** is the Estonian Branch of Compensa Vienna Insurance Group, ADB (hereinafter Seesam).
- 2.2 **Policyholder** is a person who has entered into an insurance contract with Seesam.
- 2.3 **Insured person** is the employer, i.e. the person who is insured for the risk arising from them. The insured person is the policyholder and/or the person specified in the policy.
- 2.4 **Third party** is the employee to whom the insured person caused damage. Upon the death of the employee, the third party is also deemed the employee's dependant in respect of maintenance support and the person who has borne the employee's funeral expenses. The third party is not the policyholder, insured person or Seesam.
- 2.5 **Employee** is a natural person, including a member of the management board, procurator, trainee or temporary agency worker, who has an employment or service relationship with the insured person.
- 2.6 **Occupational accident** is damage to the health of an employee or death of an employee which occurred in the performance of a duty assigned by the employer or other work performed with the employer's permission, during a break included in the working time, or during other activity in the interests of the employer. The definition of an occupational accident is set out in the Occupational Health and Safety Act.
- 2.7 **Occupational disease** is a disease developed by an employee and brought about by a working environment hazard specified in the 'List of Occupational Diseases' Regulation or by the nature of the work. The definition of an occupational disease is set out in the Occupational Health and Safety Act.

3 VALIDITY OF INSURANCE CONTRACT

- 3.1 The insurance contract is valid under the insurance terms and conditions during the insurance period and in the coverage territory provided by the insurance contract.
- 3.2 The rights and obligations arising from the insurance contract are determined according to the insurance period during which the occupational accident happened or the occupational disease was diagnosed.
- 3.3 The coverage territory of the insurance contract is the European Union unless otherwise specified in the policy. Upon occurrence of an insured event, Seesam indemnifies damage if an employee had an occupational accident or was diagnosed with an occupational disease in the coverage territory of the insurance contract.

4 INSURANCE COVER OPTION

- 4.1 The insurance cover automatically comprises indemnification of the damage or expenses caused to the third party by the insured person due to an occupational accident as well as the court and out-of-court costs for legal assistance and expert assessment necessary for combating the claims for indemnification of damage arising from occupational accidents and filed against the insured person.
- 4.2 If a corresponding notation has been made in the policy, the insurance cover also comprises indemnification of the damage or expenses caused to the third party by the insured person due to an occupational disease as well as the court and out-of-court costs for legal assistance and expert assessment necessary for combating the claims for indemnification of damage arising from the occupational disease and filed against the insured person.

5 INSURED EVENT

- 5.1 Depending on the insurance cover option, an insured event is deemed occurred if all of the following terms and conditions exist:
 - 5.1.1 the insured person has caused bodily injury or property damage to the third party,
 - 5.1.2 the damage arises from an occupational accident that has happened to the employee or an occupational disease that the employee has developed,
 - 5.1.3 the occupational accident has happened or the occupational disease was diagnosed during the insurance period,
 - 5.1.4 the insured person has a non-contractual or contractual obligation to indemnify the third party for damage within the scope provided by clause 5.2.

5.2 **Obligation to indemnify contractual damage**

Seesam indemnifies claims for indemnification of contractual damage if they do not extend the liability of the insured person compared with that provided by legislation, do not restrict the rights of the insured person or do not otherwise differ from the manner and scope of indemnification of damage provided by legislation (e.g. agreements extending the scope of damage, extension of the limitation period of claims, changing the burden of proof).

5.3 **Law governing claims filed by third parties for indemnification of damage**

If a claim filed by the third party for indemnification of damage is governed by the law of a country located outside of Estonia, the insurance indemnity is limited in accordance with the scope within which the insured person would be liable if the claim were governed by Estonian law.

5.4 **Reporting period**

Seesam indemnifies only the damage and expenses for which the insured person requests indemnification from Seesam during the insurance period or within three years of the end of the insurance period when the occupational accident happened or the occupational disease was diagnosed.

6 COSTS FOR LEGAL ASSISTANCE AND EXPERT ASSESSMENT

- 6.1 Seesam indemnifies court and out-of-court costs for legal assistance and expert assessment necessary for combating the claims for indemnification of damage filed against the insured person.
- 6.2 Costs for legal assistance and expert assessment are indemnified if all of the following terms and conditions exist:
 - 6.2.1 the insured person needs legal assistance and/or expert assessment for combating the claims for indemnification of damage caused, depending on the insurance cover option, by the occupational accident or occupational disease;
 - 6.2.2 none of the terms and conditions specified in the insurance contract exist that exclude the performance obligation of Seesam;
 - 6.2.3 indemnification of the costs for legal assistance and expert assessment has been approved by Seesam in advance in a format that can be reproduced in writing.
- 6.3 Seesam indemnifies costs for legal assistance and expert assessment even if the claim filed against the insured person is later proven unfounded.

- 6.4 If it appears after the costs for legal assistance or expert assessment have been indemnified that a condition in the insurance contract applies which excludes the performance obligation of Seesam, Seesam will no longer be required to indemnify any further costs for legal assistance and expert assessment after Seesam has learned of the exclusion of its performance obligation.
- 6.5 If a court orders that the third party pay costs for legal assistance and expert assessment for the benefit of the insured person, the insured person is required to refund Seesam the portion of the costs for legal assistance and expert assessment that corresponds to the sum of the costs for legal assistance and expert assessment paid by Seesam.
- 6.6 Seesam agrees to indemnify the costs for legal assistance incurred by the insured person within two weeks as of the moment the insured person submitted proof of the amount of the costs for legal assistance to Seesam.

7 DAMAGE AND EXPENSES SUBJECT TO INDEMNIFICATION

- 7.1 Seesam indemnifies the bodily injury and property damage caused to the third party by the insured person.
- 7.2 **Bodily injury** is damage arising due to damage to health, bodily injury or death.
- 7.3 **Property damage** is damage arising due to impairment or destruction of a thing.

8 DAMAGE AND EXPENSES NOT SUBJECT TO INDEMNIFICATION

- 8.1 Seesam does not indemnify loss of profit (except for decrease in income due to bodily injury), pure financial loss (except for funeral expenses) and non-proprietary damage caused to the third party by the insured person.
- 8.2 **Loss of profit** is loss of the gain a person would have been likely to receive if the circumstances on which compensation for damage is based had not occurred.
- 8.3 **Pure financial loss** is loss not directly related to bodily injury or property damage.
- 8.4 **Non-proprietary damage** is moral damage that involves primarily physical and emotional distress and suffering.

9 EXCLUSIONS OF INSURED EVENT

Unless otherwise specified in the policy, Seesam does not indemnify damages or expenses:

- 9.1 which the insured person has caused intentionally;
- 9.2 which are based on a circumstance or event of which the insured person was or had to be aware before entry into the insurance contract;
- 9.3 which were incurred by the insured person themselves;
- 9.4 which the insured person has caused to another insured person;
- 9.5 which arise from an illness caused by work;
- 9.6 which arise from mental anxiety, discrimination, harassment, defamation or damage to reputation;
- 9.7 which have been caused due to the employee's state of intoxication by alcohol, narcotic drugs or toxic substances;
- 9.8 which arise from a contractual penalty, default interest, interest or warranty claim;
- 9.9 which arise from a tax or sanction in public law (including a pecuniary punishment, fine, penalty payment);
- 9.10 which are subject to indemnification on the basis of compulsory liability insurance;
- 9.11 which are related to an explosive (including blasting operations), ammunition, pyrotechnics or firearm;
- 9.12 which are related to an epidemic or pandemic declared by a national or international organisation;
- 9.13 which are subject to indemnification on the basis of mandatory insurance (incl. health insurance) (e.g. in a situation where an employee did not have health insurance because the employer did not perform their statutory obligations).

10 SUM INSURED, SUBLIMIT AND DEDUCTIBLE

- 10.1 **Sum insured** is the amount specified in the insurance policy which constitutes the maximum amount of payment of all insurance indemnities, incl. costs for legal assistance and expert assessment, payable in the insurance period.
- 10.2 **Sublimit** is the amount per insured event, the type of damage, costs for legal assistance and expert assessment or the insured activity or insured risk specified in the policy and constituting the maximum indemnity. The sublimits are included in the sum insured and do not exceed said sum insured.
- 10.3 The sum insured and the sublimit decrease equally by the insurance indemnity paid out during the insurance period.
- 10.4 **Deductible** is the amount of money specified in the policy or the value determined, which is to be borne by the insured person themselves in the case of each insured event.
- 10.5 A deductible is not applied to indemnification of costs for legal assistance and expert assessment.

11 OBLIGATIONS OF INSURED PERSON

- 11.1 The insured person must immediately notify Seesam of the occurrence of an insured event, a claim for indemnification of damage filed against the insured person or any other circumstances or events as a result of which a claim for indemnification of damage may be filed against the insured person.
- 11.2 The insured person agrees to provide Seesam with explanations and proof necessary for evaluating the circumstances of the occurrence of damage, the scope of the damage and the grounds for the emergence of the possible liability of the insured person.
- 11.3 The insured person agrees to investigate reasons for and circumstances of an occupational accident or occupational disease pursuant to the procedure provided by legislation.
- 11.4 The insured person agrees to inform corresponding authorities of the occurrence of an occupational accident or the diagnosis of an occupational disease pursuant to the procedure provided by legislation.
- 11.5 If the insured person breaches the obligations specified in clauses 11.1-11.4 and the breach has an impact on the establishment of the circumstances of the insured event and the performance obligation of Seesam, Seesam will be released from its performance obligation in part or in full.

12 RIGHT OF CLAIM AND PAYMENT OF INSURANCE INDEMNITY

- 12.1 The person entitled to receive the insurance indemnity is the person related to whom the insured risk has been insured.
- 12.2 The insured person who is not a policyholder has the right to demand that Seesam pay the insurance indemnity to the insured person and claim all the rights related thereto if the policyholder has granted their consent thereto.
- 12.3 The third party has the right to demand that Seesam pay the insurance indemnity to the third party if the policyholder, in the case specified in clause 12.2 the insured person, and Seesam have agreed thereon.
- 12.4 Seesam will be released from the obligation to pay the insurance indemnity if the insured person indemnifies the third party for the damage or acknowledges the claim of the third party in a situation where the liability of the insured person or the scope thereof is not clear.

13 RIGHT OF RECOURSE OF SEESAM

- 13.1 A claim, incl. a claim for indemnification of damage, that the insured person has against another person transfers to Seesam in full to the extent of the insurance indemnity paid.
- 13.2 If the insured person waives their claim against the person referred to in clause 13.1, Seesam will be released from its performance obligation in so far as Seesam could have demanded that the foregoing persons indemnify the damage.
- 13.3 The insured person is required to provide Seesam with all the existing data and documents that allow Seesam to exercise the right of recourse.

14 CANCELLATION OF INSURANCE CONTRACT

- 14.1 Either of the parties to the contract may cancel the insurance contract if Seesam has acknowledged its performance obligation in respect of the insured person after the occurrence of an insured event or refused performance after the insurance indemnity has fallen due.
- 14.2 The insurance contract may be cancelled within one month after acknowledgement of the performance obligation or refusal to pay the insurance indemnity.