



CONSTRUCTION AND INSTALLATION WORKS INSURANCE

Terms and Conditions No 09VR.02

Effective as of 18.12.2025

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BTA and Policyholders enter into Construction and Installation Works Insurance Contracts in accordance with these Terms and Conditions.

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GENERAL REGULATIONS

1. DEFINITION OF AN INSURANCE CONTRACT

Insured – a person whose interests shall be covered:

- a) In case of property insurance – the owner of property covered by the insurance contract or other person named in writing in the contract;
- b) In case of third party liability insurance – a person whose property interests arising from third party liability are covered;
- c) In case of person's insurance – a natural person indicated in the insurance contract, whose health, life or physical condition is covered under the insurance contract.

Policyholder – a person who has applied to BTA to contract for insurance or to whom BTA has offered to enter into an insurance contract, or who has signed an insurance contract with BTA for own benefit or for benefit of other persons.

Insurer – AAS BTA Baltic Insurance Company, represented by its Lithuanian Branch, hereinafter – BTA.

Insurance premium – the amount of money specified in the insurance contract that You are obliged to pay BTA under the terms of the insurance contract.

Insurance interest – the interest of the Insured not to incur losses upon occurrence of the insured risk.

Insurance benefit – an amount of money payable upon occurrence of the event insured or delivery of services if so is stipulated in the insurance contract.

Insurance object – property interests relating to human life and/or health, property or third party liability.

Insurance risk – a probability for the event insured to occur in future beyond control of the Policyholder and/or Insured.

Sum insured – a sum of money specified in the insurance contract, or a sum of money calculated in the procedure described in the insurance contract which is the limit of indemnity (insurance benefit).

Insurance policy – a document confirming the entering into insurance contract and covering the terms and conditions of the insurance contract agreed by BTA and the Policyholder.

Parties to the insurance contract – the Policyholder and BTA.

Insurance contract – an agreement between BTA and the Policyholder according to which the Policyholder undertakes to pay the insurance premium of the agreed by the time limit fixed in the insurance contract and to fulfil other obligations stipulated in the insurance contract, and BTA undertakes to pay the benefit upon occurrence of the insured event in accordance with the terms and conditions of the insurance contract.

Event insured (risk covered) – incidents stipulated in the insurance contract upon occurrence of which BTA is obliged to pay the insurance benefit.

Double insurance – cases when the Policyholder signs several insurance contracts with different insurance undertakings to cover the same risks. In such case, the Policyholder must notify BTA in writing of other insurance contract concluded by him and to specify the sums insured and other contractual terms and conditions. Otherwise, the Insurer, having paid the insurance benefit, shall become entitled to recover the respective part of the paid insurance benefit.

Deductible – a portion of insurance benefit stipulated in the insurance contract and not indemnified by BTA. The deductible shall be defined as a specific amount of money and/or as percentage unless the insurance policy specifies otherwise. Where the insurance contract provides for several types of deductibles in respect of the same risk, the largest of them shall always apply.

Compensation principle – insurance principle, according to which insurance indemnity is calculated on the basis of the amount of loss sustained in an insured event.

Beneficiary – a person named in the insurance contract, or a person appointed by the Policyholder or, in cases stipulated in the insurance contract, by the Insured and entitled to receive insurance benefits.

Non-insured event – an occurrence in respect of which BTA does not pay the insurance benefit.

Underinsurance – cases when the established sum insured is less than the value of insurance. In such cases, upon occurrence of the event insured BTA shall indemnify a portion of the benefit in proportion to the ratio of the sum insured and the value of insurance.

Additional insurance – cases when only a portion of the value of property or risk is insured. In such cases the Policyholder shall be entitled to enter into an additional insurance contract with the same or any other insurer. However, the total sum insured under all insurance agreements shall not exceed the value of insurance.

Application to contract for insurance – a document in the form established by BTA for the Policyholder to provide with information required for the entering into the insurance contract. The application shall not be required, if the Policyholder provides BTA with information which BTA considers sufficient to assess insurance risks. Acceptance of the application to contract for insurance does not obligate BTA to sign the insurance contract.

Written document:

- a) a document executed in writing and containing all necessary particulars, including signature affixed in accordance with valid legislation of the Republic of Lithuania;
- b) transmitted by telegraph, facsimile or other telecommunications terminal equipment, provided that the protection of the text is ensured, and it is possible to identify the signature, including an e-message.

Persons related to the Policyholder and/or the Insured, who are also bound by the fulfilment of obligations established for the Policyholder:

- a) Persons living together with the Policyholder or the Insured;
- b) Persons responsible for insurance object pursuant to an agreement with the Policyholder or the Insured;
- c) Persons sharing insurance interests together with the Policyholder or the Insured, or other persons named in the insurance contract;
- d) Persons related to the Policyholder or the Insureds under employment, service delivery or other legal relationships and bound to act in conformity with the safety requirements.

Third party – in the case of civil liability insurance – a person who has suffered losses due to the Policyholder's or/and Insurer's acts or omissions and who is eligible to receive the insurance benefit in accordance with the terms and conditions of the insurance contract.

Security contribution – a legally prescribed monetary obligation to the state for the purpose of financing the State Defence Fund.

2. VALIDITY OF INSURANCE COVER

- 2.1. A period of insurance means a period when insurance cover is in force.
- 2.2. The insurance cover shall come into force at 00:00 o'clock on the date indicated in the insurance contract, but not earlier than the premium or its first instalment is paid down, if:
 - 2.2.1. the date of payment of the insurance premium or its first instalment is not indicated in the insurance contract;
 - 2.2.2. the beginning of the insurance period coincides with the date of payment of the premium or its first instalment;
 - 2.2.3. the time limit for paying the premium or its first instalment precedes the beginning of the insurance period.
- 2.3. Where the coming into force of the insurance cover is linked to the payment of the insurance premium or its first instalment, the insurance cover shall come into force on the next day at 00:00 following the receipt of payment, but not earlier than specified in the insurance contract.
- 2.4. The insurance benefit shall not be paid if the event occurs before the entry into force of the insurance cover.
- 2.5. Where the insurance contract stipulates that the premium should be paid after the first day of the insurance period, the cover shall come into force at 00:00 on the first day of the insurance period.
- 2.6. The insurance contract shall expire at 24:00 o'clock on the last day of the insurance period specified in the insurance contract unless terminated earlier for other reasons.

3. POLICYHOLDER'S DUTY TO DISCLOSE

- 3.1. Prior to signing the insurance contract, the Policyholder undertakes to provide BTA with true and complete information requested by BTA in relation to the insurance object and necessary for the assessment of insurance risks. Where the Policyholder knowingly conceals information necessary for the assessment of the

insurance risk or knowingly provides incorrect or incomplete information, BTA shall be entitled to claim nullification of the insurance contract and retain the paid down insurance premium.

- 3.2.** When insurance contract regarding insurance of the same insurance object is concluded repeatedly immediately following the previous insurance contract and, the Policyholder or the Insured, when concluding the repeated insurance contract, do not specify that the information provided upon conclusion of the previous insurance contract has changed, BTA will assume that the previously provided information has not changed.
- 3.3.** The Policyholder is required to promptly notify of any changes which occur during the period of validity of the insurance contract and which are likely to increase the insurance risk. The changes required to be disclosed include:
- 3.3.1.** significant changes relating to the insurance object;
 - 3.3.2.** changes in the manner/ways of using the insurance object.
 - 3.3.3.** other significant circumstances due to which the insurance risk increases.
- 3.4.** Where information provided to BTA about the insurance object and risks covered changes and this results in insurance risk increase, as well as in case BTA is misled by minor misrepresentations of the Policyholder, BTA shall be entitled to offer the Policyholder, within a period of 1 month from the date of getting aware, to amend the terms and conditions of the insurance contract, including the amount of the insurance premium.
- 3.5.** Where the Policyholder disagrees to the amendment of the terms and conditions of the insurance contract or fails to give any answer to BTA within 1 (one) month from the date of dispatch of the notice of the proposed amendments, BTA shall be entitled to terminate the insurance contract upon expiration of the time limit stipulated in this paragraph without any further notice.
- 3.6.** Where BTA proves that being aware of the risk increase, it would have not entered into the insurance contract, BTA shall be entitled to claim termination of the insurance contract within 2 months from getting aware of the risk increase.
- 3.7.** Violation of the Policyholder's duty to disclose information shall also incur other legal consequences entrenched in the legislation of the Republic of Lithuania.

4. INSURANCE PREMIUM AND PAYMENT PROCEDURE

- 4.1.** The Policyholder undertakes to pay the Insurance premium to the Insurer, in the specified amount and within the specified deadlines, as stipulated in the insurance agreement:
- 4.1.1.** Insurance premium consists of:
 - 4.1.1.1.** the premium for insurance coverage;
 - 4.1.1.2.** a 10% Security contribution, as provided for in the Law on Security Contribution of the Republic of Lithuania.
 - 4.1.2.** If the full Insurance premium is not paid, the portion corresponding to the Security contribution shall be credited first, and the remaining amount shall be credited towards the premium for insurance coverage.
- 4.2.** The insurance premium is considered paid:
- 4.2.1.** if the insurance premium is paid by bank transfer – from the moment of receiving the relevant amount to the bank account of BTA or its authorized insurance intermediary.
 - 4.2.2.** if the insurance premium is paid using other payment methods – from the date specified in the particular document supporting the fact of payment. For obtaining the list of payment methods please visit internet website www.bta.lt, or call us by phone (8 5) 2600 600;
- 4.3.** In case of failure to pay the premium by the time limit set in the insurance contract, the Policyholder shall pay BTA a default interest in the amount of 0.02% for each day overdue. However, the total amount of the

penalty may not exceed 10% of the outstanding insurance premium amount. The above-indicated default interest shall not apply in the following cases:

4.3.1. the premium is paid as a lump sum;

4.3.2. in respect of the first payment, if the premium is paid in instalments.

4.4. Should the Policyholder fail to pay the premium or any part thereof by the deadline fixed in the insurance contract (with the exception of case when the coming into force of the insurance contract is linked to payment of the insurance premium or its part), BTA informs the Policyholder in writing that in the event of the failure to pay in the insurance premium or its part within 30 days of receipt of the notice, the insurance contract will be terminated.

5. CONTRACTING FOR INSURANCE BY MEANS OF TELECOMMUNICATION TERMINAL EQUIPMENT

5.1. Insurance contract can be concluded by means of distance communication, i.e., by means of post, internet, electronic mail, telephone or other means of information exchange.

5.2. When insurance contract is concluded by a Policyholder, who is a consumer, then such insurance contract shall be subject to the Guidelines for the composition of non-life insurance contracts, which are publicly available on BTA's website www.bta.lt. Guidelines for the composition of non-life insurance contracts, among other things, describes the procedure of exercising the withdrawal rights, i.e., the rights to withdraw from the concluded insurance contract.

5.3. Consumer is a natural person, concluding an insurance contract for a purpose unrelated to its business or professional activity.

6. EXPIRATION AND AMENDMENT OF THE INSURANCE CONTRACT

6.1. The insurance contract shall expire at 24:00 on the last day of the insurance period unless otherwise agreed by the Policyholder and BTA.

6.2. The Policyholder shall be entitled to terminate the insurance contract at any time giving a 15 days' notice to BTA in writing. In this case, the insurance contract shall be deemed terminated as of the date indicated in the notice, but not earlier than on the 15th day after receipt of the notice of termination.

Such being the case:

6.2.1. where there was no payment of insurance benefit effected and no claims were lodged within the period of validity of the insurance contract, the Policyholder shall be repaid, within 20 calendar days from the receipt of the Policyholder's notice, the insurance premium, less costs of conclusion and performance of the insurance contract (30% of the sum to be repaid);

6.2.2. if during the period of validity of the insurance contract the insurance benefit was paid and/or reserved or claims were filed, within 20 calendar days of receipt of the Policyholder's notice, BTA shall repay to the Policyholder the part of the premium which is equal to the difference between the unused portion of the premium for the remaining period of the contract and the insurance benefit paid, having deducted the costs of conclusion and performance of the insurance contract (30% of the repayable amount);

6.2.3. The refundable amount of the Insurance premium is calculated based on the total amount of the Insurance premium Insurer have paid, including the 10% Security contribution, as provided for in the Law on Security Contribution of the Republic of Lithuania.

6.3. The terms and conditions of the insurance contract may be modified or amended only upon a written agreement between BTA and the Policyholder.

6.4. The insurance contract may be terminated on other grounds stipulated in the insurance legislation of the Republic of Lithuania governing legal relationships in insurance contracts.

7. GENERAL EXCLUSION CLAUSE

- 7.1.** Unless the insurance contract stipulates otherwise, BTA shall not pay insurance benefits for:
- 7.1.1.** terrorist acts (the acts involving the use of, or threatening to use, force or violence, committed by a group of persons acting independently or on behalf of any organization or government, committed for political, religious, ideological or ethnic ends for the purpose of putting in fear or exerting influence on the government, public or any section of the public); losses incurred in relation to the prevention of terrorist acts shall not be compensated either;
 - 7.1.2.** war, invasion, hostile acts of foreign countries or other operations attaining the same level, such as civil war (whether or not the war is declared), riots, strikes, rebels, commotions, revolution, military situations, marauding, vandalism, sabotage; strike, lockout, public disorder attaining the level of a coup or riot, seizure of property, nationalization, when this is caused or authorized, whether legally or not, by the public authorities; other political risks and any other losses or costs directly or indirectly sustained in relation to the prevention of such acts shall not be compensated either;
 - 7.1.3.** direct or indirect nuclear explosion, nuclear power or impact of radioactive substances; direct or indirect radioactive contamination;
 - 7.1.4.** malicious acts by the Policyholder, Insured or Beneficiaries.
- 7.2.** BTA is not entitled to provide insurance and BTA is not obliged to pay the insurance indemnity or provide benefits in accordance with the insurance contract, as long as provision of such insurance, insurance indemnity disbursement or provision of benefits:
- 7.2.1.** subjects BTA to sanctions, restrictions or limitations, established by the resolutions of the United Nations or trade or economic sanctions, regulatory enactments of the European Union, the Republic of Lithuania, the United Kingdom or the United States of America;
 - 7.2.2.** subjects a reinsurance company, the whom the insurance contract is submitted for reinsurance, to sanctions, restrictions or limitations, established in accordance with the regulatory enactments of the reinsurance company's state of registration.
- 7.3.** It shall not be considered an insured event and the losses shall not be indemnified, if occurred directly or indirectly related to:
- 7.3.1.** Regulatory enactments issued by the state;
 - 7.3.2.** State of emergency or exceptional state announced, moreover, no losses or expenses shall be indemnified, directly or indirectly related to any measures intended to avert the state of emergency or the exceptional state;
 - 7.3.3.** Epidemics or pandemics.

8. INSURER'S OBLIGATIONS UPON OCCURRENCE OF THE INSURED RISK

- 8.1.** In order to become eligible to the insurance benefit upon occurrence of a insured risk, the Policyholder or the Insured must:
- 8.1.1.** immediately, but no later than within 3 working days (unless specified otherwise in the special terms and conditions of the Regulations) notify BTA of the occurrence of a potential insured event in accordance with the procedure laid down in the special terms and conditions of the Regulations. If the Policyholder or the Insured notifies BTA of the occurrence of the insured risk with delay, the Policyholder or the Insured must prove that it was impossible to notify in good time;
 - 8.1.2.** to immediately report to competent authorities (e.g., medical establishments, the Fire and Rescue Department, the police, emergency services, etc.);
 - 8.1.3.** to follow all instructions given by BTA and to take all and any measures to mitigate the damage and prevent its occurrence or increase;

- 8.1.4.** to make it available for BTA to inspect the scene of the event, to investigate it and examine witnesses so that BTA would be able to identify the causes and size of damages;
 - 8.1.5.** to provide with any information and documents requested by BTA, including commercial secrets, if any, known to the Policyholder or the Insured so that BTA would be able to identify the causes and size of damages;
 - 8.1.6.** unless instructed by BTA otherwise, to preserve, where possible, the scene unchanged while waiting for BTA's representative. This paragraph shall not apply in as much as it is necessary to fulfil the requirements in paragraph 8.1.3 above;
 - 8.1.7.** if the insurance object cannot be preserved without changing its condition after the accident due to the fulfilment of the obligations referred to in paragraph 8.1.3 of these Terms and Conditions or other legal and justified reasons, to ensure that the pictures of the damaged insurance property are taken as soon as possible or the damaged insurance object is filmed so that its damages are registered and submit the pictures or the video recording to BTA by e-mail zalos@bta.lt or in another way approved by BTA.
- 8.2.** Where the Policyholder, Insured or Beneficiary deliberately or by gross negligence fails to fulfil the obligations stipulated in the Regulations, BTA shall be entitled to reduce or disallow payment of the insurance benefit.

9. INSURANCE BENEFITS

- 9.1.** The insurance indemnity is paid down within 15 days after receipt of all information required for the establishment of the fact, circumstances and consequences of the event insured as well as for the identification of the amount of insurance benefit.
- 9.2.** If theft or robbery of the insurance object has taken place, whereby the insurance indemnity is paid and then the insurance object is found, then BTA shall be entitled to request and be refunded the disbursed insurance indemnity or to acquire the property rights to the insurance object. If BTA has made a decision not to keep the found insurance object, but the found insurance object is damaged, then, when refunding the received insurance indemnity to BTA, the Insured shall deduct the expenses necessary for the repair of the found damaged insurance object in the amount agreed upon with BTA.
- 9.3.** If the event is the risk covered, but the Policyholder and BTA fail to agree as to the amount of benefit, on the Policyholder's request BTA pays down an amount equal to the benefit indisputable by the parties, if definite establishment of the amount of damage lasts for a period exceeding 3 months.
- 9.4.** Where BTA delays payment of the benefit for its own fault, BTA shall pay a default interest in the amount of 0.02% of the outstanding benefit for each day overdue. However, the total amount of the penalty may not exceed 10% of the outstanding insurance indemnity amount.
- 9.5.** For the purpose of paying insurance benefits, all insurance premiums (for a current insurance year), which are mature on the date of paying the benefit, shall be accounted. Pending premiums can be also accounted if so agreed by the Policyholder. If the insurance object is killed, destroyed or lost as a result of the event insured, all premiums pending in accordance with the insurance contract shall be deducted.
- 9.6.** In case BTA is or will be unable to make a recourse claim by subrogation due to malicious intent or gross negligence of the Insured, BTA may opt for not paying the insurance indemnity in the amount for which a claim is not or will not be possible to be brought, or, if insurance indemnity has already been disbursed, demand its refund from the Insured.
- 9.7.** At the request of the person entitled to claim insurance indemnity, BTA will enable this person to study the documents, based on which BTA had made the decision of insurance indemnity payment or rejection, or issue copies of the documents for a fee not exceeding the costs of producing the document copies.
- 9.8.** BTA does not enable this person, entitled to claim insurance indemnity, to study the documents or issue copies of the documents, if:
 - 9.8.1.** BTA has submitted documents to law enforcement institutions for criminal investigation of the insured

risk occurrence circumstances;

9.8.2. the documents contain a trade secret of another person, which the person entitled to claim insurance indemnity is not entitled to obtain;

9.8.3. the documents contain a personal data, which the person entitled to claim insurance indemnity is not entitled to obtain.

10. COMPLAINT HANDLING AND DISPUTE SETTLEMENT PROCEDURE

10.1. Procedure how BTA handles a complaint for being dissatisfied with insurance contract or insurance services submitted by the submitter of insurance application, the Policyholder, the Insured, the Beneficiary and another person entitled to claim insurance indemnity, is publicly available on BTA's website www.bta.lt.

10.2. Any disputes arising between the parties to the insurance contract shall be settled by way of negotiations. In case of failure to reach agreement by way of negotiations, all disputes arising from and in relation to the violation, termination or invalidity of from the insurance contract shall be settled in compliance with legal acts of the Republic of Lithuania before courts of the Republic of Lithuania according to the place of registered office of BTA Lithuanian branch.

11. PROCESSING OF PERSONAL DATA

11.1. BTA, as the personal data controller under, processes personal data of natural persons in compliance with personal data processing requirements defined in the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and other regulatory enactments.

11.2. The principles of processing of personal data conducted by BTA are published on BTA's privacy policy at www.bta.lt.

12. SUBROGATION AND RIGHT OF RECOURSE

Upon disbursement of the insurance benefit, the Insurer shall acquire the right of claim to the amounts paid from the person responsible for the inflicted damage (subrogation or right of recourse). The Policyholder, the Insured or the Beneficiary must communicate to BTA all requested information necessary for the Insurer in order to be able to properly implement the right of claim transferred to him.

13. CONFIDENTIALITY

The parties undertake not to disclose any confidential information received on the basis of contractual or pre-contractual legal relationships to any third parties, and not to use such information in the manner which would infringe the interests of the other party to the insurance contract. BTA shall have the right to provide to independent experts and reinsurers all necessary information received on the basis of the contractual or pre-contractual relationships, and to store such information in BTA's databases. This duty shall not apply when the parties must disclose the information to competent public authorities in compliance with requirements of legal acts of the Republic of Lithuania.

14. MISCELLANEOUS

14.1. Any notice to be communicated by the Policyholder or BTA to each other shall be delivered by the time limits set in the Regulations using one of the below specified methods:

14.1.1. delivering to the Policyholder to the addresses specified in the insurance policy or other written documents or in the notifications of the parties on the change of addresses of their registered offices;

14.1.2. sending as a postal item by registered mail;

14.1.3. sending by e-mail, when this method of notification is provided for by the parties in the contract or when they express their consent to exchange the information in this manner by actions

- 14.2.** BTA is entitled to cede its rights and obligations to other insurance undertakings in the statutory procedure. If the Policyholder disagrees with the Insurer's intention to transfer its rights and obligations under the insurance contract, the Policyholder is entitled to terminate the insurance contract within one month from the cession of the rights and obligations. In this case the Policyholder shall be refunded the paid in premiums for the remaining period of the insurance contract validity.
- 14.3.** Contractual insurance relations shall be governed by the law of the Republic of Lithuania.
- 14.4.** The insurance contract shall be signed on the basis of the general and special terms and conditions. In case of any differences between the special and/or individual insurance terms and conditions, as stipulated in the insurance contract (policy), and the General terms and conditions herein, the special and/or individual insurance terms and conditions shall take precedence.
- 14.5.** The Policyholder, Insured, Beneficiary and other persons acquiring any rights on the basis of the insurance contract are required to fulfil the obligations stipulated in the Regulations.
- 14.6.** The Regulations are effective from the date of being approved by the BTA board unless it provides for another date for the Regulations to come into effect.
- 14.7.** In case of any differences or discrepancies between the languages, the wording in the Lithuanian language shall override.
- 14.8.** The Regulations are available on BTA's web site at <http://www.bta.lt>.
- 14.9.** Consumer disputes with the insurer are handled within the scope of their competence by the Supervisory Service of the Bank of Lithuania, Žalgirio St. 90, LT09303, Vilnius, website: www.lb.lt.

SPECIAL CONDITIONS

1. ESSENTIAL CIRCUMSTANCES OF THE INSURANCE CONTRACT

- 1.1.** The insurance contract is concluded on the basis of all the information provided by the Policyholder to the best of his knowledge about the circumstances likely to have a material impact on the assessment of the insurance risk. The Policyholder is responsible for the accuracy of the data provided.
- 1.2.** Essential circumstances are understood as:
 - 1.2.1.** Factual, correct information about the construction and installation work to be insured, the materials to be used and other risk factors;
 - 1.2.2.** Fire safety and asset security on construction site;
 - 1.2.3.** Loss and damages history;
 - 1.2.4.** Other circumstances described in these rules or set out in the application to conclude a contract.
- 1.3.** The insurance contract is concluded at the oral request of the Policyholder, except where the Policyholder has made a written request.
- 1.4.** The insurance contract consists of: the Insurance rules, the insurance policy, the application for the conclusion of the contract (if any submitted), any other documents submitted or any annexes to the insurance contract.
- 1.5.** If the individual terms and conditions of insurance contained in the insurance policy, annexes or other individual documents differ from these rules, the individual terms and conditions of insurance shall prevail.
- 1.6.** If it turns out that the correct essential information was not provided at the time of conclusion of the contract (clause 1.2), the Policyholder is obliged to notify BTA of the change in the risk immediately and at the latest within 5 days.

2. INSURANCE OBJECT

The following may be covered under these rules when specified in the insurance policy:

- 2.1.** Construction and/or equipment installation work, delivery of construction products, materials and equipment to the place of insurance for the purpose of the performance of works.
- 2.2.** Construction and/or equipment installation works carried out by the Policyholder at different construction sites, construction products, materials and equipment delivered to the place of insurance for the purpose of the works, where an annual insurance contract is concluded by agreement between the Policyholder and BTA.
- 2.3.** Additional objects of insurance or extensions of cover related to the insured works, subject to agreement between the Policyholder and BTA:
 - 2.3.1.** Costs of cleaning up the insurance site. The costs for the removal or destruction of debris and rubbish are insured additionally. The exact description of the insurance cover is specified in the insurance policy.
 - 2.3.2.** Construction machines and mechanisms. Construction machines and mechanisms used to carry out the insured work are insured additionally. The exact description of the insurance cover is specified in the insurance policy.
 - 2.3.3.** Construction site equipment. Construction equipment used to carry out the insured works is insured additionally. The exact description of the insurance cover is specified in the insurance policy.
 - 2.3.4.** Customer's property. Immovable property belonging to or in the lawful possession of the Customer/Builder located at the place of insurance is insured additionally. The exact description of the insurance cover is specified in the insurance policy.
 - 2.3.5.** Storage outside the place of insurance. Loss of construction products, materials or equipment to be

installed, intended to perform the insured work, while they are stored outside the limits of the place of insurance that are specified in the insurance contract is insured additionally. The exact description of the insurance cover is specified in the insurance policy.

2.3.6. Transfer to the place of insurance. Loss of construction products, materials or equipment to be installed, intended to perform the insured work, while they are transferred to the place of insurance is insured additionally. The exact description of the insurance cover is specified in the insurance policy.

2.3.7. Cost of accelerating work. Additional costs incurred to accelerate the performance of works (overtime, night-time work) appearing after the insured event are insured additionally. The exact description of the insurance cover is specified in the insurance policy.

2.3.8. Expert costs. Additional costs for experts (designers, consultants, lawyers) incurred after the insured event is insured additionally. The exact description of the insurance cover is specified in the insurance policy.

2.3.9. Warranty period. Losses incurred during the warranty period, due to errors in the performance of the insured work, and for servicing work during the warranty period are insured additionally. The exact description of the insurance cover is specified in the insurance policy.

2.3.10. Other insurance objects or extensions of cover as agreed between the Policyholder and BTA.

2.4. Each insured item or additional extension of cover must be specified in the insurance policy and have a corresponding sum insured. If the object is not specified or has an insured amount of 0, it is considered uninsured.

3. PERIOD OF INSURANCE. VALIDITY OF INSURANCE COVER

3.1. The insurance cover starts as soon as the installation of the place of insurance or the work starts, but not before the date stated in the insurance policy.

3.2. The insurance cover is valid until the date of signing the certificate of Insured object's recognition as suitable for use and/or the date of the beginning of the Insured object's operation, but no longer than specified in the insurance policy. If the Insured object is declared suitable for use in parts, the insurance cover ends only for the part of the Insured object for which the certificate of recognition as suitable for use has been issued. The insurance cover for the remaining parts of the Insured object shall expire after the date of signing the final Insured object's certificate of recognition as suitable for use or the date of start of operation, but not later than the date specified in the insurance policy.

4. INSURED EVENT

An insured event is a sudden and unexpected damage, destruction or loss of the insured property occurring during the period of insurance and at the place of insurance for any reason whatsoever, except for the non-insured events specified in the Rules.

5. NON-INSURED EVENTS

BTA does not pay the insurance benefit if the loss is caused by:

5.1. General exceptions set out in Section 7 of the General conditions.

5.2. A change in the solutions and/or technologies set out in the technical and/or working project during the Works by the Policyholder, the Insured or persons related to them, not agreed with the technical supervisor of the construction, and in cases specified by regulatory acts and technical documents of construction, with the author(s) of the technical and/or working project.

5.3. Actions of the Policyholder, the Insured or persons related to them while under the influence of alcohol, drugs or toxic substances.

- 5.4.** Such typical (identical) professional errors of the Policyholder, the Insured or persons related to them, which occurred repeatedly during the period of validity of the insurance contract.
- 5.5.** Design errors and/or incorrect planning. Losses due to design errors and/or incorrect planning are losses caused by errors, defects, deficiencies or omissions in technical or working designs, plans, drawings, calculations, specifications or instructions, geological or other investigations.
- 5.6.** Use of prototype (untested) technologies in the course of the insured work and/or damage to the prototypes themselves.
- 5.7.** Storage and/or other use of flammable, explosive materials not intended for the insured work at the insured location.
- 5.8.** Deterioration, rusting, oxidation, liquefaction of construction products, materials, structures and equipment used in the works due to disuse, formation of a surface hard layer due to not being used or exposure to normal natural conditions.
- 5.9.** Unavoidable natural processes (micro-organisms, corrosion, rusting, moulding, rotting, natural wear, deterioration, evaporation, loss of weight, change in texture, colour or odour.
- 5.10.** Direct exposure to plants, animals and parasites.
- 5.11.** Construction products destroyed by rain, snow, other precipitation or storm, whether outdoors, in sheds, open-air extensions, structures covered only with fabric, plastic sheeting or similar material. These provisions do not apply where the destroyed property is adapted for storage or use under these conditions.
- 5.12.** Total or partial interruption of the insured work for any reason for 30 days or more.
- 5.13.** Loss of insured property, unexplained disappearance, defects noted during an inventory, audit or inspection, extortion, misappropriation, embezzlement, fraud, i.e. the taking possession of, or acquiring title to, insured property by fraud or breach of trust, and the disappearance of that property, whether unexplained or due to unidentified causes.
- 5.14.** Theft and/or vandalism from an unprotected area of the construction site and/or outside the construction site. Losses due to theft and/or vandalism shall only be compensated in case it took place from a fully enclosed area of the construction site with a fence of at least 180 cm in height and illuminated by a physical guard (watchman) or a security alarm with controlled access, in the event any signs of intrusion or robbery are present.
- 5.15.** Theft and/or vandalism from unguarded (open and/or unlocked with free access) buildings, premises or containers without signs of intrusion or robbery.

BTA also does not compensate:

- 5.16.** The cost of replacing, repairing or removing the defective insured property being built and/or installed. Defective property means a building construction element and/or installed equipment having defects or being caused by errors during insured works. This exclusion applies only to defective property, but does not cover destruction and/or damage to properly performed works, building products, materials, structures and equipment installed caused by an event due to defective property or defective property created with errors in insured works (consequential damage). A defect is defined as a deficiency that does not comply with the requirements set out in the project documentation or does not comply with the mandatory normative (regulatory) documents. A building structural element is a combination of construction products and technological solutions which is treated as a single structural element (wall, slab, pipe, floor, chimney, fireplace, etc.) for the purposes of design and/or calculations or technical drawings.
- 5.17.** Damage and/or destruction of the insured property if it does not meet the requirements of the technical specifications, does not have a valid or duly approved technical certificate, certificate of conformity and/or declaration, or if the manufacturers' requirements have not been met.
- 5.18.** Damage to and/or destruction of the insured property when the insured work is carried out without a licence or other authorisation to operate, or in the case of unauthorised construction.

- 5.19.** Indirect damages of any kind, including loss of income, fines, damages for delay, non-performance, modification or termination of the contract, damages due to forfeit for breach of contract.
- 5.20.** Loss or damage to technical drawings, acts, plans, accounts, securities, cash, any data or data media.

6. INSURED VALUE AND SUM INSURED

- 6.1.** The sum insured for the construction and/or installation works must be at least equal to the full value of the works carried out, including all construction products, materials and equipment, wages, freight costs, customs duties and other charges.
- 6.2.** The value of the construction and/or installation work cannot be less than the replacement value. The replacement value is held as the costs needed in order to replace a completely destroyed or lost insured property with a new property of analogous parameters and quality, or the costs of restoring, re-installing and new testing of the insured property.
- 6.3.** Sum insured – the amount of money specified in the insurance contract, up to which BTA will indemnifies for the loss suffered.
- 6.4.** Where the value of the insured property under construction increases by up to 10 percent during the period of insurance cover compared to the sum insured at the time of the conclusion of the insurance contract, the non-complete insurance clause does not apply, but the sum insured may not be higher than the sum of insurance specified in the insurance contract.
- 6.5.** If the insured property is restored, the insurance cover remains in force for the same sum insured.
- 6.6.** If the policyholder and BTA agree on additional extensions of insurance cover (clause 2.3), a separate sum insured is fixed for each extension of cover.
- 6.7.** If the policyholder and BTA agree and this is specified in the insurance policy, the property may be insured for a sum insured agreed between the parties which is less than the value of the insured object (first-risk insurance). In this case, BTA will reimburse the loss without the application of the non-complete insurance clause, but the paid benefit is limited to the sum insured for the object covered by the insurance policy.

7. SAFETY REQUIREMENTS

The Policyholder, the Insured and their affiliates must carry out the construction and/or installation works in compliance with all safety requirements, including but not limited to:

- 7.1.** The requirements of the normative (regulatory) acts of the Republic of Lithuania, building technical regulations, occupational safety rules, rules for the operation of the property, written recommendations and requirements of manufacturers, importers, designers or BTA.
- 7.2.** The requirements of the Fire safety regulations and other regulatory acts on fire safety, and the recommendations of the BTA, if any. Immediately comply with the instructions of the competent authorities or the BTA to improve the fire safety situation.

8. INCREASE AND DECREASE IN INSURANCE RISK

- 8.1.** An increase in insurance risk is defined as:
- 8.1.1.** A change in the essential solutions and/or technologies specified in the technical and/or works project and/or specified at the time of conclusion of the insurance contract. The policyholder must obtain BTA's written consent to any such changes, otherwise the insurance cover ends.
 - 8.1.2.** Total or partial interruption or suspension of works.
 - 8.1.3.** Changes to the project.
 - 8.1.4.** Change in the value of construction and/or installation works.
 - 8.1.5.** Change in the performance schedules of construction and/or installation works.

8.1.6. Failure or deterioration of the property and/or fire protection measures, which were specified at the time of taking out the insurance contract, or part of them.

8.1.7. Other circumstances specified during the process of conclusion of the contract or at the time the insurance contract is concluded that may affect the increase in the insurance risk.

8.2. If the circumstances that increase the risk specified at the time of conclusion of the insurance contract have changed during the term of the insurance contract, the client may apply to BTA for a change in the terms of the insurance contract and the premium to take account of the reduced risk.

9. DETERMINATION OF LOSS

9.1. Property is considered damaged if it is economically feasible to repair it. If the property cannot be repaired, or if the cost of repairing it exceeds the difference in value between the value of the same property before and after the insured event, the property is deemed to have been destroyed or, in the case of theft, lost.

9.2. The amount of the loss – is the monetary value of the damage sustained and the amount needed to repair or restore the insured property to the condition it was in immediately before the insured event occurred. In all cases, loss due to damage to or destruction of the insured property as a result of an insured event shall be reimbursed at the residual value, provided that the insured property was more than 50% depreciated on the date of the event.

9.3. In all cases, the repair, restoration or acquisition of assets must be carried out in the most cost-effective way at the lowest reasonable cost.

9.4. The loss shall be determined by the BTA on the basis of the notification received from the Policyholder or the Insured about the accident and the loss, the information obtained during the inspection, the documents obtained from the Policyholder or the Insured and the relevant authorities, which are necessary to determine the causes of the damage and the amount of the loss.

9.5. Costs incurred as a result of certain changes and/or improvements to the insured property following an insured event are not considered a loss.

9.6. The amount of the loss includes the costs of reducing or avoiding the loss, the costs of determining the causes of the insured event or of complying with BTA's instructions. Any such costs must be agreed with BTA.

9.7. The Policyholder, the Insured or BTA have the right to consult independent experts to determine the amount of the loss or the cause of the accident. The costs of such experts shall be borne by the party who engaged them, unless otherwise agreed.

10. PAYMENT OF INSURANCE BENEFIT

10.1. The sum of the benefit shall be equal to the amount of the estimated loss, taking into account non-complete insurance, insurance at increased value, double insurance, value of insurance and any other conditions set out in these Rules and in the insurance policy, and after deduction of the deductible.

10.2. The insurance benefit is limited to the actual value of the construction and installation works immediately before the insured event. The actual value is based on the documentation of the work carried out.

10.3. The sum of the benefit cannot exceed the sum insured for each object and cannot exceed the insured value of that object.

10.4. If the loss or part of the loss has been reimbursed to the Policyholder or the Insured by another person or by public authorities, BTA shall pay the insurance benefit after deduction of this part.

10.5. BTA has the right to choose whether to pay the insurance benefit to the Policyholder, the Insured or to arrange for the purchase, restoration or repair of the damaged or destroyed property.

10.6. If the Policyholder or the Insured has recovered the property after the insurance benefit has been paid, they must inform BTA and return the insurance benefit or the recovered property to BTA within 15 calendar days.

- 10.7.** If several insured objects located in one place and covered by a single insurance contract are damaged or destroyed as a result of the same insured event, only one, maximum deductible applies.

11. BASIS FOR NOT PAYING OR REDUCING THE INSURANCE BENEFIT

- 11.1.** No insurance benefit shall be paid if the Policyholder or the Insured has provided misleading information about the facts of the insured event, which had an impact on the causes of the event, the circumstances of the insured event and/or the amount of the loss.
- 11.2.** BTA has the right to reduce or refuse to pay the insurance benefit:
- 11.2.1.** If the Policyholder, the Insured or persons related to them have blatantly disregarded the safety requirements set out in Section 7 of these Rules.
 - 11.2.2.** In cases of gross negligence of the Policyholder, the Insured or persons related to them;
 - 11.2.3.** In cases when damage to the insured property caused by the fact that it was put into service before it was fit for use.
 - 11.2.4.** If, after the insured event, it becomes apparent that essential information about the insured object (point 1.2) was omitted or incorrect at the time of conclusion of the contract, or that changes in circumstances and/or increased risks were not notified (point 8.1).
 - 11.2.5.** In case the Insured or the Policyholder has failed to report the event in time.
 - 11.2.6.** In case of failure to report the incident immediately to the relevant competent authorities (Fire Brigade/Rescue service, Police, etc.).
 - 11.2.7.** If the Policyholder has failed to fulfil his obligations under Section 15 of these Rules.
 - 11.2.8.** In case the loss was caused by a deliberate failure to take reasonable measures available to prevent or mitigate the damage.
 - 11.2.9.** If the Policyholder or Insured fails to comply with the terms of the insurance contract or BTA's requirements.
 - 11.2.10.** In other cases provided for in the insurance contract and/or by laws.
- 11.3.** If the Policyholder or the Insured has waived his right to claim against the third parties at fault or if the right to claim has become unenforceable due to the fault of the Policyholder or the Insured, BTA shall have the right to reduce or refuse to pay the benefits, or, in the case of an insurance benefit that has already been paid out, to demand that the sum insured that has been paid out be refunded.
- 11.4.** If the Policyholder fails to comply with the requirements set out in Section 8 of the General Part or if the circumstances referred to in clause 11.2 have been recorded, BTA shall have the right to refuse to pay the insurance benefit or to reduce the insurance benefit, taking into account the fault of the Policyholder, the extent of the breaches of the terms and conditions of the insurance contract, and the extent of its causal link with the insured event or the amount of the loss.

ADDITIONAL CONDITION: CIVIL LIABILITY INSURANCE

12. SUBJECT MATTER OF CIVIL LIABILITY INSURANCE

The object of civil liability insurance is property interests related to damage caused by the Policyholder to the property or health of third parties. Third parties shall not be deemed to be persons engaged in a joint activity, contractual obligations or similar legal relationships with the Policyholder.

13. INSURED EVENT

- 13.1.** An insured event is a claim by third parties for compensation of damage resulting from an act of the Policyholder directly related to the insured construction and installation works.

13.2. The moment when an act (activity or omission) is performed is the date on which the act was or should have been performed. If the moment of the act cannot be determined, the act shall be deemed to have been performed on the date on which the Policyholder was or should have been paid for the services related to the activity/action.

13.3. A single insured event is:

13.3.1. multiple activities causing a single damage.

13.3.2. multiple claims for the same activity.

13.4. The claim for compensation must be submitted to the Policyholder during the period of validity of the insurance contract, or at the latest 30 days after the end of the period of insurance specified in the insurance policy, or within an extended claim period additionally specified in the insurance contract.

14. NON-INSURED EVENTS

BTA does not pay the insurance benefit if the loss is caused by:

14.1. General exceptions set out in Section 7 of the General conditions.

14.2. Events not directly related to the construction and installation works covered by the insurance policy or occurring outside the place of insurance.

14.3. Activities where the Policyholder acts as a designer of a construction, a contractor for the expert examination of a construction project (part thereof), a technical supervisor for the construction of a building, a manufacturer or supplier, whether or not such activities are carried on in a in parallel with his construction activities as provided for in the Rules.

14.4. Such typical (identical) professional errors of the Policyholder, the Insured or persons related to them, which occurred repeatedly during the period of validity of the insurance contract.

14.5. Exceeding estimates and time limits for insured construction and installation works or wasting credits.

14.6. Violation of the requirements for construction contract works laid down in the Law on Construction or other regulatory enactments due to intent or gross negligence.

14.7. Consequences of unauthorised construction or unauthorized construction works.

14.8. Financial or contractual obligations.

14.9. Gradual, prolonged exposure to temperature, humidity, vapour, sediment, gases, e.g. fungus, mould, decay, dust, etc.

14.10. Vibration or load-bearing constructions removal or weakening.

14.11. Damage to the natural environment, or the cleaning of air, water or soil or the removal of substances that have seeped into it, unless otherwise stated in the insurance policy.

14.12. Presence or use of asbestos.

14.13. Acts committed by the policyholder while under the influence of alcohol, drugs or psychotropic substances.

14.14. Correcting a deficiency in construction works.

14.15. Non-performance or improper performance of the contract.

14.16. Driving (management) of motorised vehicles outside the place of insurance.

14.17. Statutory penalties such as fines, interest, etc.

14.18. Any negligence, error or carelessness on the part of the Policyholder in the performance of various financial transactions or financial advice.

14.19. Loss of written, printed or otherwise reproduced documents or loss or destruction of any information contained in a computer or stored electronically or tangible property entrusted to the Policyholder.

14.20. Contractual or statutory forfeit.

14.21. Additional liability (including special guarantees) assumed by the policyholder under the contract, not provided for by the legislation of the Republic of Lithuania, unless such liability would have arisen even if such contract had not been concluded.

14.22. Acts that are punishable by criminal law.

BTA also does not compensate:

14.23. Non-pecuniary damages.

14.24. Financial damages that do not directly or indirectly cause damage to property, health or life and/or does not arise as a consequence of damage to property, health or life.

14.25. Financial damages resulting from the capacity, efficiency, effectiveness or quality/quantity of produced products (provided services) of a device or other equipment, or damages caused by the inability to use the equipment or facilities and loss of profit.

14.26. Losses that are compensated according to the normative (regulatory) acts of the Republic of Lithuania from the budget of the state, municipalities and the Social Insurance Fund.

14.27. Losses caused to the Policyholder or the Insured, to the employees of the Policyholder or the Insured, or to persons related to the Policyholder or the Insured, including the family members of the employees of the Policyholder or the Insured, and to their property, and to property entrusted to the above-mentioned persons.

14.28. Loss or damage caused directly or indirectly by malfunctions of software and microprocessors of all kinds and systems containing such microprocessors, including computers.

15. POLICYHOLDER'S OBLIGATIONS

Obligations of the Policyholder in the event of an event:

15.1. Upon receipt of court summons or claim, the Policyholder is obliged to immediately inform BTA of any action or claim brought against the Policyholder seeking compensation of damages, even if BTA has already been notified of the event.

15.2. Not to accept the validity of the claims submitted and not to accept any financial liability for damages without coordination with BTA. If the Policyholder fails to comply with this requirement, BTA shall be entitled to reduce or refuse to pay the insurance benefit.

15.3. Any actions and costs must be agreed in writing with BTA.

15.4. At the request of BTA, the Policyholder is obliged to grant the authority to negotiate or represent the Policyholder in court.

15.5. Provide all available information and enable the BTA to investigate the causes and circumstances of the accident.

15.6. In the event of an accident, the Policyholder shall take all reasonable measures available to him to mitigate any damage, in accordance with the instructions of BTA, if any. If this requirement is not complied with, BTA has the right to reduce or refuse to pay the insurance benefit.

15.7. Other duties as set out in these Rules.

16. COMPENSATION FOR LOSS AND PAYMENT OF INSURANCE BENEFITS

16.1. A loss due to the civil liability of the Policyholder is held as:

16.1.1. The amount of third-party claims settled by a court decision that entered legal force, a court-ordered settlement or a tripartite agreement, due to the gross negligence of the Policyholder, the Insured or persons related to them.

16.1.2. Investigation and court costs awarded against the Insured in accordance with the laws of the Republic of Lithuania.

- 16.2.** Within the limits of the sum insured, BTA shall also reimburse the Policyholder's costs of settling or rejecting the claim, if they are agreed in writing in advance with the Policyholder.
- 16.3.** In all cases, the total sum of paid benefits for the period of insurance may not exceed the sum insured provided for in the insurance policy.
- 16.4.** Costs incurred by the plaintiff which have not been awarded or approved by the court shall not be reimbursed.
- 16.5.** If the Policyholder rejects the BTA's proposed method of settling the claim, the BTA's liability under the insurance contract shall not exceed the costs that would have been incurred if the claim had been settled by the BTA's proposed method of settling.
- 16.6.** If part of the loss suffered by a third party has been compensated by another party, BTA will reimburse the difference between the insurance benefit according to the insurance contract and the compensation received from the other party. The Policyholder must inform BTA of such reimbursement and, if part of the reimbursement is made later than the reimbursement by BTA, the Policyholder must return the part of the BTA reimbursement that is equal to the amount reimbursed by the other party.
- 16.7.** If several persons are jointly and severally liable for the damage caused, the insurance benefit paid to the third party is proportional to the liability of the Insurer.