



LAWYER'S PROFESSIONAL INDEMNITY INSURANCE

Terms and Conditions No. 13AC.01
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BTA and Policyholders enter into Lawyer's Professional Indemnity Insurance Contracts in accordance with these Terms and Conditions.

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GENERAL INSURANCE TERMS AND CONDITIONS

1. DEFINITION OF AN INSURANCE CONTRACT

Insured – the person whose property interests are insured:

- a) for property insurance, the owner of the insured property or the person named in writing in the contract;
- b) in the case of civil liability insurance, the person whose property interests arising out of civil liability are insured;
- c) in the case of personal insurance, the natural person named in the insurance contract whose health, life or physical condition is covered by the insurance contract.

Policyholder – a person who has applied to the insurer for the conclusion of an insurance contract or has been offered an insurance contract by the insurer or has concluded an insurance contract with the insurer.

Insurer – BTA Baltic Insurance Company AAS branch in the Republic of Lithuania.

Insurance premium – the amount of money specified in the insurance contract that Policyholder is obliged to pay BTA for insurance cover under the terms of the insurance contract.

Insured interest – the Insured's interest in not suffering a loss as a result of an insured event.

Insurance benefit – a sum of money paid out in the event of an insured event or for services rendered, if provided for in the insurance contract.

Object of insurance – is property interests relating to a person's life, health, property or civil liability.

Insurance risk – the probability of an event occurring in the future that is possible and beyond Policyholder and/or the Insured person's control.

Sum insured – the amount of money specified in the insurance contract or calculated in accordance with the procedure laid down in the insurance contract, which may not exceed the benefit.

Insurance contract certificate (policy) – a document confirming the conclusion of the insurance contract and covering the terms and conditions of the insurance contract as agreed between BTA and Policyholder.

The parties to the insurance contract – Policyholder and BTA.

Insurance contract – an agreement between BTA and Policyholder, under which Policyholder undertakes to pay the insurance premium of the agreed amount within the time limits set out in the insurance contract, to fulfil other obligations set out in the insurance contract, and BTA undertakes to pay the insurance benefit to the person specified in the insurance contract in the event of an insured event, in accordance with the provisions of the insurance contract.

Insured event – an occurrence specified in the insurance contract, in the event of which BTA is obliged to pay an insurance benefit.

Double insurance – where Policyholder enter into several insurance contracts for the same insurance risks with several or the same insurance company. In this case, Policyholder must notify BTA in writing of the conclusion of the other insurance contract, specifying the sum insured and the other terms of the contract. Otherwise, Insurer shall be entitled to recover the relevant part of the insurance benefit after having paid the insurance benefit.

Deductible – the part of the insurance benefit that is set out in the insurance contract and which BTA do not reimburse. The deductible is defined as a specific amount of money and/or a percentage of the loss, unless stated otherwise in the insurance policy. If an insurance contract contains several types of deductibles for the same risk, the higher of the two will always apply.

Compensation principle – an insurance principle whereby the insurance benefit is calculated on the basis of the amount of loss suffered as a result of the insured event.

Beneficiary – the person named in the insurance contract, or a person, specified by Policyholder and in contract-specified cases, a person appointed by the Insured who is entitled to receive the insurance benefit.

Non-insured event – is a case where BTA do not pay an insurance claim.

Underinsurance – where the sum insured is less than the insured value. In this case, in the event of an insured event, BTA will pay a proportion of the claim that is proportional to the ratio of the sum insured to the insured value.

Supplementary insurance – a type of insurance where only part of the value of the asset or the risk is insured. In this case, Policyholder have the right to conclude an additional insurance contract with the same or another insurance company. In this case, the sum insured under several insurance contracts cannot exceed the insurance value.

Application for conclusion of an insurance contract – a document in the form prescribed by BTA, in which Policyholder provide the necessary information to conclude an insurance contract. The application may be not submitted if Policyholder provide BTA with information that BTA consider sufficient to assess the insurance risk. Acceptance of an application for an insurance contract does not oblige BTA to conclude an insurance contract.

Written document:

- a) is a document in writing that contains all the necessary requisites, including a signature, in accordance with the legislation in force in the Republic of Lithuania;
- b) transmitted by other telecommunications terminal equipment, provided that the text is protected and the signature is identifiable, including an electronic message.

Persons related to the Policyholder and/or the Insured, as well as persons who are obliged to fulfil the duties imposed on the Policyholder:

- a) persons who live together with the Policyholder or the Insured;
- b) the persons who are responsible for the insured object according to an agreement with Policyholder or the Insured;

- c) persons who have an insurable interest jointly with the Policyholder or the Insured, or other persons specified in the insurance contract;
- d) persons related to the Policyholder or the Insured person by employment, service or other legal relationship, that have a duty to act in accordance with the safety requirements.

Third party – in the case of civil liability insurance, a person who has suffered a loss as a result of the acts or omissions of Policyholder and/or the Insured, and who is entitled to an insurance benefit in accordance with the terms of the insurance contract.

2. THE VALIDITY OF INSURANCE COVERAGE

- 2.1. The insurance period is the length of time during which the insurance cover is in force.
- 2.2. The insurance cover comes into force at 00:00 on the date specified in the insurance contract, but not before the payment of the premium or the first instalment thereof, provided that:
 - 2.2.1. the date of payment of the premium or the first instalment is not specified in the insurance contract;
 - 2.2.2. the start of the period of insurance coincides with the date of payment of the premium or the first instalment thereof;
 - 2.2.3. the due date for payment of the premium or the first instalment is earlier than the start of the period of insurance.
- 2.3. In cases where the insurance cover is linked to the payment of the premium or the first instalment thereof, the insurance cover shall come into force at 00:00 hours on the day following the date of receipt of the money, but not earlier than specified in the insurance contract.
- 2.4. No insurance benefit is payable in the event of an insured event before the insurance cover takes effect.
- 2.5. If the insurance contract stipulates that the premium is due after the first day of the start of the insurance period, the insurance cover shall take effect at 00:00 on the first day of the start of the insurance period.
- 2.6. The insurance contract is valid until 24:00 on the last day of the insurance period stipulated in the insurance contract, unless the insurance contract expires earlier for other reasons.

3. POLICYHOLDER DUTY TO DISCLOSE INFORMATION

- 3.1. Before signing the insurance contract, Policyholder undertakes to provide BTA with correct and complete information requested by BTA, which is relevant to the subject matter of the insurance and is necessary to assess the insurance risk. If Policyholder deliberately fails to disclose information necessary for the assessment of the insurance risk, or deliberately provides false or incomplete information, BTA has the right to demand that the insurance contract be declared void. In this case, BTA will not refund the insurance premium.
- 3.2. If an insurance contract for the same subject matter is renewed immediately after the expiry of the previous contract and Policyholder or the Insured do not indicate that the information has changed since the conclusion of the previous insurance contract, BTA shall assume that the information provided previously has not changed.
- 3.3. During the term of the insurance contract, Policyholder is obliged to immediately notify in writing any changes during the term of the insurance contract which may increase the risk of insurance. Changes that should be notified include:
 - a) significant changes in the subject matter of the insurance;
 - b) changes in the ways in which the subject matter of the insurance is used;
 - c) other material circumstances that increase the risk.
- 3.4. If the information provided to BTA about the object of insurance and the insured risks changes and this increases the insurance risk, as well as if BTA is misled due to an insignificant mistake by Policyholder, BTA shall have the right to propose to the Policyholder, within one month from the date of becoming aware of it, to change the terms and conditions of the contract of insurance, including the amount of the insurance premium.
 - 3.4.1. if the Policyholder do not agree to change the terms and conditions of the insurance contract, or do not respond to BTA within 1 month from the date of sending the notice of the proposed new terms and conditions, BTA have the right to terminate the insurance contract after the expiry of the period specified in this sentence without separate notice.
 - 3.4.2. if BTA proves that it would not have concluded the insurance contract if it has been aware of the

increased risk, BTA have the right to demand the cancellation of the insurance contract within 2 months of becoming aware of the increased risk.

- 3.5.** A breach of Policyholder's duty to disclose information also entails other legal consequences, as provided for in the legislation of the Republic of Lithuania.

4. INSURANCE PREMIUM AND PAYMENT PROCEDURE

- 4.1.** The Policyholder must pay the insurance premium to BTA in the amount and within the time limits specified in the insurance contract.
- 4.2.** The insurance premium is considered paid:
- 4.2.1.** if the premium is paid by bank transfer, from the date of receipt of the money in BTA bank account or an authorised insurance intermediary;
 - 4.2.2.** if the premium is paid by other means of payment, from the date stated in the specific document evidencing the payment. For a list of payment methods, please visit Our website www.bta.lt or call +370 5 2600 600.
- 4.3.** If the Policyholder fail to pay the insurance premium on the due date specified in the insurance contract, Policyholder shall pay to BTA a late payment interest of 0.02% for each day of delay, but not more than 10% of the total unpaid insurance premium. BTA will not apply the above-mentioned interest in the following cases:
- a)** the premium is paid in one payment;
 - b)** the premium is paid in instalments – for the first payment.
- 4.4.** If the Policyholder fails to pay the insurance premium or any part thereof within the time limit specified in the insurance contract (except in the case when the entry into force of the insurance contract is linked to the payment of the premium or any part thereof, in which case the insurance contract shall not enter into force and shall be cancelled without a separate notification by the Insurer 30 days after the due date for payment of the premium), BTA shall inform the Policyholder by a written document as provided for in the contract, that the insurance contract shall be cancelled in the event of Policyholder failure to pay the premium or any part thereof within 30 days after the day on which the written document is dispatched.

5. CONCLUSION OF INSURANCE CONTRACTS VIA DISTANCE COMMUNICATION AND TELECOMMUNICATIONS EQUIPMENT

- 5.1.** An insurance contract may be concluded by means of a distance communication and telecommunications equipment, i.e. post, internet, e-mail, telephone and other means of information exchange.
- 5.2.** Where an insurance contract is concluded by Policyholder, who is a consumer, the contract is subject to the Guidelines for the conclusion of non-life Insurance contracts, which are publicly available at www.bta.lt. The Guidelines on conclusion of non-life insurance contracts, among other things, provide for a right of withdrawal procedure, i.e. the right to withdraw from an insurance contract.
- 5.2.1.** A consumer is a natural person who enters into an insurance contract for purposes other than business or professional activities.

6. TERMINATION AND AMENDMENT OF THE INSURANCE CONTRACT

- 6.1.** The insurance contract ends at 24:00 on the last day of the insurance period, unless otherwise agreed between Policyholder and BTA.
- 6.2.** Policyholder have the right to cancel the insurance contract at any time by giving 15 days' written notice to BTA. In this case, the insurance contract will be deemed to have been terminated on the date specified in the notice, but not earlier than the 15 days after receipt of the notice of termination. In this case:
- 6.2.1.** if the insurance benefit has not been paid or no claim has been made during the period of validity of the insurance contract, within 20 calendar days after receipt of Policyholder's notification, BTA shall refund to Policyholder a part of the insurance premium by deducting the costs of concluding and executing the insurance contract (30% of the amount to be refunded);
 - 6.2.2.** if an insurance benefit has been paid and/or reserved or claims have been made during the period of validity of the insurance contract, within 20 calendar days after receipt of Policyholder's notification, BTA shall refund a part of the premium equal to the difference between the unused part of the premium for the period of validity of the insurance contract and the insurance benefit paid, less the costs of conclusion and performance of the contract (30% of the amount to be refunded).

- 6.3.** The terms and conditions of the insurance contract may be supplemented or amended only by written agreement between Policyholder and BTA.
- 6.4.** The insurance contract may also be terminated on other grounds provided for in the insurance legislation of the Republic of Lithuania regulating insurance contractual legal relations.

7. GENERAL CLAUSES

- 7.1.** Unless otherwise stated in the insurance contract, BTA shall not pay any insurance benefit for:
- 7.1.1.** acts of terrorism (acts consisting in the use or threatened use of force or violence by or on behalf of any third party acting alone or in an organized fashion with or for the benefit of any organisation or government, which are carried out for political, religious, ideological or ethnic reasons, and which have the intention of placing a government or society or part of it in danger); losses resulting from preventive action against acts of terrorism are not covered either;
 - 7.1.2.** war, invasion, hostile acts by a foreign power, military or equivalent operations, such as civil war (with or without a declaration of war), riot, strike, insurrection, rebellion, revolution, martial law, marauding, vandalism or sabotage; strike, lockout, disturbance of public order amounting to a coup d'état or riot, confiscation of property, nationalisation, if caused or sanctioned by a public authority, whether lawful or not; other political risks and any other loss or expense incurred directly or indirectly as a consequence of the prevention of such acts, shall not be reimbursed;
 - 7.1.3.** direct or indirect nuclear explosion, exposure to nuclear energy or radioactive preparations, direct or indirect radioactive contamination;
 - 7.1.4.** Policyholder's, Insured person's or Beneficiary's deliberate acts.
- 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 (upon condition that it does not violate any regulations or regulatory enactments, applicable to BTA);
 - 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.** An insured event will not be deemed to be an insured event and no compensation will be payable if the loss is directly or indirectly caused by:
- 7.3.1.** legislation issued by the state;
 - 7.3.2.** a declared state of emergency or national emergency, and, moreover, no compensation will be granted for any loss directly or indirectly related to any measures taken to avoid the state of emergency or national emergency;
 - 7.3.3.** epidemics or pandemics.

8. POLICYHOLDER'S OBLIGATIONS IN THE EVENT OF AN INSURED RISK

- 8.1.** In order to be entitled to receive an insurance benefit in the event of an insured risk, Policyholder or the Insured person must:
- 8.1.1.** inform BTA immediately, but not later than within 3 working days (unless otherwise specified in the Special Conditions of these Terms and Conditions), of the occurrence of a potentially insurable event in accordance with the procedure set out in the Special conditions of these Terms and Conditions. If the Policyholder or the Insured informs BTA of the occurrence of the insured risk late, the Policyholder or the Insured must prove that it was not possible to inform BTA in time;
 - 8.1.2.** immediately inform the competent authorities (e.g. medical facility, fire and rescue department, police, emergency services, etc.);
 - 8.1.3.** comply with all instructions given by BTA and take all measures to minimise the damage and prevent it from occurring or increasing;

- 8.1.4.** provide BTA with the possibility to inspect the scene of the accident, investigate and interview witnesses so that BTA can determine the cause and amount of the loss;
 - 8.1.5.** provide all information and documents requested by BTA, including trade secrets, if known to Policyholder or the Insured, to enable BTA to determine the cause of the insured risk and the amount of the loss;
 - 8.1.6.** if possible, keep the scene intact until BTA representative arrives, unless otherwise instructed by BTA. This clause shall not apply to the extent necessary to meet the requirements of clause 8.1.3 of these General insurance terms and conditions;
 - 8.1.7.** if the insured object cannot be preserved without altering its condition after the event due to the fulfilment of the requirements contained in clause 8.1.3 of the General insurance terms and conditions or for other legal and reasonable reasons, arrange for photographs of the damaged property to be taken as soon as possible or for the damaged insured object to be filmed in order to record the loss, and to send the photographs or the video to BTA by e-mail: zalos@bta.lt or by any other means to be sent found appropriate by BTA.
- 8.2.** If the Policyholder, the Insured or the Beneficiary intentionally or through gross negligence fails to fulfil the obligations set out in the Terms and Conditions, BTA has the right to reduce or refuse to pay the insurance benefit.

9. INSURANCE BENEFIT

- 9.1.** The insurance benefit shall be paid by BTA no later than within 15 days from the date of receipt of all information relevant for determining the fact, circumstances and consequences of the insured event and the amount of the insurance benefit.
- 9.2.** In the event of theft or robbery, where the insurance benefit has been paid and the insured object has subsequently been recovered, BTA have the right to demand reimbursement of the insurance benefit or assignment of the right of claim to the object of insurance. If BTA have decided not to keep the found object of insurance, but the found object is damaged, then Policyholder shall deduct from the insurance benefit received from BTA, when returning it, the costs necessary to restore the object to its original condition, as agreed with BTA.
- 9.3.** If the event is insured and both Policyholder and BTA disagree on the amount of the insurance benefit, BTA will pay, at Policyholder's request, an amount equal to the indisputable insurance benefit of the parties, if the exact amount of the damage is delayed for more than 3 months.
- 9.4.** If BTA delay the payment of the insurance benefit due to its own fault, BTA shall pay a late payment interest of 0.02% of the amount of the insurance benefit due for each day of delay, but not exceeding 10% of the insurance benefit not paid on time.
- 9.5.** All insurance premiums (for the current policy year) that are due on the date of payment of the insurance benefit are credited towards the payment of the insurance benefit. With Policyholder's consent, premiums the terms of which are not due may be credited. If the insured object dies, is lost or destroyed as a result of the insured event, any outstanding premiums under the contract are deducted when the insurance benefit is paid.
- 9.6.** In the event that BTA is unable to recover the paid-out benefit by way of recourse due to the Insured Person's wilful act or gross negligence, BTA may not pay the benefit to the extent that no claim can be made or, if the benefit has already been paid out, may claim reimbursement of the benefit from Policyholder.
- 9.7.** In accordance with the request of the person entitled to claim the insurance benefit, BTA shall give such person access to the documents in BTA possession on the basis of which BTA have decided to pay or refuse to pay the insurance benefit.
 - 9.7.1.** BTA shall not give the person entitled to claim the insurance benefit access to the documents in its possession and shall not provide a copy of the documents if:
 - a)** BTA has submitted documents to the law enforcement authorities to investigate the circumstances of the insured risk;
 - b)** the documents contain trade secrets of another person, which the person entitled to claim the insurance benefit is not entitled to receive;
 - c)** the documents contain personal data that the person entitled to claim the insurance benefit is not entitled to receive.

10. COMPLAINTS AND DISPUTE RESOLUTION PROCEDURES

10.1. BTA complaints examination procedure for dissatisfaction with an insurance contract or insurance services provided by a person applying for an insurance contract, the Policyholder, the Insured, the Beneficiary or any other person entitled to claim an insurance benefit is publicly available at www.bta.lt. An interested person who believes that the Insurer has violated his rights or legitimate interests must apply to the Insurer in writing with a complaint, specifying the circumstances of the dispute and his requirements. The insurer must provide the client with an answer no later than 15 working days from the date of receipt of the complaint.

10.2. All disputes arising between the parties to the insurance contract shall be settled by negotiation. If no amicable settlement is reached, all disputes arising out of the insurance contract and relating to the breach, termination or invalidity of the insurance contract shall be settled in the courts of the Republic of Lithuania in accordance with the legislation of the Republic of Lithuania, according to the address of the registered office of the BTA branch in Lithuania.

11. PROCESSING OF PERSONAL DATA

11.1. As a processor of personal data, BTA processes the data of natural persons in accordance with the requirements for processing personal data as defined in Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of individuals 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), as well as requirements of other legal acts.

11.2. The principles for processing personal data and BTA's privacy policy are available at www.bta.lt.

12. SUBROGATION AND RIGHT OF RECOURSE CLAIM

12.1. The Insurer who has paid out the insurance benefit is entitled to claim the sums paid from the person liable for the damage (subrogation or right of recourse claim). Policyholder, Insured or Beneficiary must provide BTA with all the information requested by BTA in order to enable the BTA to properly exercise the right of claim assigned to it.

13. CONFIDENTIALITY

13.1. The Parties undertake not to disclose to third parties any confidential information obtained on the basis of insurance contractual or pre-contractual legal relations, nor to use such information in a manner which would be prejudicial to the interests of the other party to the insurance contract. BTA have the right to provide all necessary information to independent experts and reinsurers obtained on the basis of insurance contractual or pre-contractual relationships, as well as to store such information in BTA data bases. This obligation does not apply where the parties are obliged to provide information to the competent state authorities in accordance with the requirements of the legislation of the Republic of Lithuania.

14. OTHER CONDITIONS

14.1. Any notice which Policyholder or BTA are required to give to each other must be given within the time limits set out in these Terms and Conditions by one of the following methods:

14.1.1. by providing it to the Policyholder, at the addresses specified in the policy or other written documents or in the parties' notices of change of address;

14.1.2. by registered mail;

14.1.3. by e-mail, where the Parties have provided for this method of communication in the contract, or by expressing their consent to the exchange of information in this way by means of an affirmative act.

14.2. BTA have the right to transfer its rights and obligations under the insurance contract to another Insurer or Insurers in accordance with the procedure established by legislation. If the Policyholder object to the transfer of rights and obligations under the insurance contract, the Policyholder has the right to cancel the insurance contract in accordance with the procedure laid down in the contract within one month of the transfer of rights and obligations. In this case, Policyholder shall be reimbursed the premiums paid for the remaining period of the insurance contract.

14.3. Contractual insurance legal relations are governed by the Laws of the Republic of Lithuania.

14.4. The insurance contract is concluded on the basis of these General conditions and Special conditions. If the special and/or individual conditions of insurance specified in the contract (policy) and these General terms and conditions of insurance differ, the special and/or individual conditions of insurance shall prevail.

- 14.5.** The Policyholder, the Insured, the Beneficiary and other persons who acquire rights on the basis of the insurance contract shall comply with the obligations set out in these Terms and Conditions.
- 14.6.** These Terms and Conditions shall enter into force on the date of their approval by the Management Board of BTA, unless the BTA Management Board has specified a different effective date.
- 14.7.** In case of conflicts or inconsistencies between languages, the Lithuanian text takes precedence.
- 14.8.** These Terms and Conditions are published on the BTA website at <http://www.bta.lt>.
- 14.9.** Consumer disputes with the insurer shall be examined by the Supervisory Authority of the Bank of Lithuania, Žalgirio str. 90, LT-09128, Vilnius, website: www.lb.lt. A request to examine a dispute can be submitted to the Bank of Lithuania through the electronic dispute examination system using the following link: <https://www.lb.lt/lt/spreskite-ginca-su-finansiniu-paslaugu-teikeju>. In the event of questions regarding insurance, the complaint handling procedure is publicly available at www.bta.lt.

SPECIAL CONDITIONS

1. EXPLANATIONS OF TERMS USED IN THE TERMS AND CONDITIONS

Insurance Contract – A contract of professional civil liability insurance for lawyers concluded between BTA and the Policyholder on the basis of these Terms and Conditions. The insurance certificate/policy confirms that the contract was concluded. The parties' agreements, annexes and amendments are integral parts of the lawyers' professional civil liability insurance contract.

Policyholder – Professional law firms, lawyers included in the list of practising lawyers and entitled to practise as lawyers, and persons included in the list of lawyers' assistants in accordance with the procedure laid down in these Terms and Conditions, who have concluded an insurance contract with BTA on the basis of these Terms and Conditions. The term "policyholder" includes persons performing work under a contract of employment, provided that they act at the direction and under the control of the policyholder.

Professional activities of a lawyer – Legal services provided by a lawyer shall be considered to be the professional activities of a lawyer in accordance with the legislation of the Republic of Lithuania and the Code of Professional Ethics of Lawyers. The professional activity of a lawyer shall not include tax calculation activities, advice on financial, real estate or other non-legal matters unrelated to the provision of legal assistance, or any other activity which, in accordance with the legislation of the Republic of Lithuania or the Code of Professional Ethics of the Lawyer, is not considered to be a professional activity of a lawyer.

Injured third party – A person (principal and/or third party) not named by the policyholder in the insurance contract, but who, under the conditions set out in the Terms and Conditions, is entitled to an insurance benefit. The injured third party shall be the client and/or the third party who has suffered damage as a result of the improper performance of professional services.

Retroactive period – The period defined in the Insurance Contract as the period prior to the effective date of the contract during which insurance cover applies in respect of those events caused by the actions or inaction of the Policyholder which give rise to the Policyholder's liability and which occur during this period, provided that the third party claim is made during the period of validity of the insurance cover or the extended reporting period.

Extended reporting period – The period of time after the expiry or cancellation of the insurance contract during which BTA provides cover for a claim made is defined in the insurance contract.

2. SUBJECT MATTER OF THE INSURANCE

- 2.1.** The subject matter of the insurance shall be the policyholder's pecuniary interests in respect of the policyholder's professional civil liability for damage caused to injured third parties arising during the term of the insurance contract, or during the extended reporting period agreed between the policyholder and BTA, as a result of the policyholder's inadequate professional services as a lawyer during the term of the insurance contract or during the retrospective period agreed between BTA and the policyholder.
- 2.2.** The subject matter of the insurance is not the civil liability of the policyholder for damages arising out of their activities other than their professional activities as a lawyer.

3. INSURED EVENT

- 3.1.** An insured event is the submission of a claim for compensation to the policyholder or to BTA for damage caused to a third party as a result of improper professional services provided and/or rendered by the policyholder as a lawyer, provided that the claim meets all of the following conditions:
- 3.1.1.** in the form of a written claim or an action;
 - 3.1.2.** made during the term of the insurance contract or within the extended reporting period set by the parties;
 - 3.1.3.** brought for damage arising during the term of the insurance contract or within the time limit set by the parties, as a result of improperly provided and/or rendered professional services by the policyholder as a lawyer;
 - 3.1.4.** brought in respect of legal services provided and/or rendered by the policyholder during the period of validity of the insurance contract;
 - 3.1.5.** brought in respect of the services rendered by an advocate in the territory of the Republic of Lithuania, if the extension of the territory is not provided for in the insurance contract;
 - 3.1.6.** the policyholder is liable for the damage in accordance with the applicable law.
- 3.2.** A single insured event is defined as an occurrence arising from the same cause, notwithstanding the fact that several claims may be brought by injured third parties. If the time of the damage cannot be determined, the damage is deemed to have occurred when the policyholder has been paid for the services rendered.
- 3.3.** If the damage to the injured third party resulting from the services rendered by the policyholder inadequately has increased after the injured third party has made a claim to the policyholder or to BTA which meets the criteria set out in Clause 3.1 of the Special Conditions of the Terms and Conditions, the subsequent submission of a claim for compensation for increased damage, even if the claim is submitted after the expiration of the time limit set out in Clause 3.1.2 of the Special Conditions of the Terms and Conditions, but not later than 3 years after the occurrence of the damage, shall constitute an insured event.

4. NON-INSURED EVENTS

- 4.1.** A non-insured event, unless otherwise specified in the insurance contract, is the making of a claim for compensation for damage/loss arising from:
- 4.1.1.** any action or inaction exceeding the limits of the legal assistance provided by the Policyholder as provided for in the relevant legislation of the Republic of Lithuania and the Code of Professional Ethics of the Policyholder, and exceeding the powers granted by the client;
 - 4.1.2.** any advice given by the Policyholder (whether or not liable) on financial, real estate and other non-legal advice, excluding tax advice;
 - 4.1.3.** The professional activities of the Policyholder relating to advising on legislation applicable outside the Republic of Lithuania and working with the law of any country other than the Republic of Lithuania;
 - 4.1.4.** non-pecuniary damage;
 - 4.1.5.** Deliberate acts by the Policyholder, except for socially valuable deliberate acts (necessary defence, breach of civic duty, etc.);
 - 4.1.6.** personal injury, destruction or damage to property, and consequential damages;
 - 4.1.7.** due to non-performance or improper performance of the contract, if the civil liability of the Policyholder, as stipulated in the contract, exceeds the one stipulated by the laws of the Republic of Lithuania. The insurance cover shall not apply to civil liability in excess of the civil liability established by the laws of the Republic of Lithuania;
 - 4.1.8.** the Policyholder's delay in carrying out the acts provided for in the contract or by law;
 - 4.1.9.** acts outside the lawyer's professional activities;
 - 4.1.10.** loss of documents (written, printed, stored on magnetic media or on computer storage), loss, destruction or loss of tangible property entrusted to their custody or control;
 - 4.1.11.** The activities of the Policyholder as a member or officer of the management or supervisory body of an enterprise, institution, organisation or other economic entity;

- 4.1.12.** any financial damage directly or indirectly caused by pollution of air, water or land;
- 4.1.13.** acts of war or similar, states of emergency, mass disturbances, riots, strikes, acts of terrorism, boycotts;
- 4.1.14.** claims made by persons insured under the same insurance contract against each other or by any party:
 - 4.1.14.1.** directly owned or controlled by the Policyholder, by a person practising as a legal assistant in the Policyholder's firm or professional association, or by any other person working for the Policyholder;
 - 4.1.14.2.** which directly owns or controls the Policyholder, a person or employee practising as a legal assistant in the Policyholder's law firm or professional association;
 - 4.1.14.3.** in which the Policyholder is a business partner or which has close family or brother-in-law relations with the Policyholder.
- 4.1.15.** losses suffered by the Policyholder's employees, service personnel, trustees and authorised persons, business partners and co-owners, members of the Policyholder's family in a joint household or their relatives;
- 4.2.** BTA will not reimburse expenses if the Policyholder:
 - 4.2.1.** provides BTA with false or misleading information about the insured event;
 - 4.2.2.** fails to provide BTA with documents confirming the insured event and the amount of the loss.
- 4.3.** BTA will not compensate for any losses:
 - 4.3.1.** caused by the Policyholder in the course of their professional activities while under the influence of alcohol, drugs and other toxic/psychotropic substances;
 - 4.3.2.** resulting directly or indirectly from any claim relating to the dissemination or publication of defamatory or fraudulent data or other material damaging to the honour and dignity of an individual, as well as from the publication of data contrary to a person's right to privacy and in breach of the confidentiality of their personality;
 - 4.3.3.** which relate to claims for pensions or compensation for medical services in the event of incapacity for work and other social benefits which are paid by the State under existing legislation in the Republic of Lithuania;
 - 4.3.4.** which are directly or indirectly related to the Policyholder's activities as a civil servant or to activities in law enforcement structures, departments or agencies, provided that the Policyholder is not an employee of such structures, departments or agencies and provided that the services rendered are only professional services to such bodies and that the remuneration for such services relates solely to the Policyholder;
 - 4.3.5.** arising from advice or recommendations given by the Policyholder in connection with the choice of computers or software or from losses incurred by the Policyholder in working with computer programs;
 - 4.3.6.** resulting from infringement of the use of patents, copyrights, logos, trademarks, registered designs and other similar marks, and unfair competition;
 - 4.3.7.** caused by the Policyholder, as owner, lessee or driver of any motor vehicle (including trailer) used on land, water or in the air and which is required to be registered in accordance with the applicable legislation of the Republic of Lithuania, by any mechanical vehicle (including trailer), including losses in any way related to loading and unloading operations;
 - 4.3.8.** the amount of money paid by the third party to the Insured to avoid an error in the work.
- 4.4.** BTA shall have the right to reduce or refuse to pay the insurance benefit:
 - 4.4.1.** if the Policyholder has received full or partial compensation from the third party responsible for the damage;
 - 4.4.2.** if the Policyholder has breached the obligations set out in these Terms and Conditions and this has had an impact on the occurrence and/or aggravation of the damage;

4.4.3. in other cases provided for by the Terms and Conditions and legal acts of the Republic of Lithuania.

5. SUM INSURED

- 5.1.** The sum insured is determined by agreement between BTA and the Policyholder and is specified in the contract of professional civil liability insurance for lawyers issued by BTA.
- 5.2.** The insurance contract may also contain a sum insured per insured event.

6. DEDUCTIBLE

- 6.1.** In the insurance contract, BTA and the Policyholder may also agree on a deductible, which may be either conditional or unconditional. Unconditional deductible means the amount by which BTA reduces the insurance benefit for each insured event.
- 6.2.** In an insurance contract, the deductible can be applied for each insured event or for the total duration of the insurance contract.

7. INSURANCE PREMIUM

- 7.1.** The amount of the insurance premium shall be determined by agreement between BTA and the Policyholder. The amount of the premium and the terms of payment are specified in the insurance certificate.
- 7.2.** The premium may be a lump sum or paid in instalments, as agreed between the parties.

8. CONCLUSION AND ENTRY INTO FORCE OF THE INSURANCE CONTRACT

- 8.1.** The insurance contract shall be in writing. The conclusion of the insurance contract shall be evidenced by the insurance certificate, which must contain the particulars referred to in Article 6.991(1)(1) to (12) of the Civil Code, as well as the entry "Insurance Certificate of Professional Civil Liability for Lawyers" and a reference to the Terms and Conditions.
- 8.2.** The Policyholder must submit a written request when intending to conclude an insurance contract, if required by BTA. When the Policyholder submits a written application for the conclusion of an insurance contract, the application becomes an integral part of the insurance contract upon conclusion of the insurance contract.
- 8.3.** At the time of conclusion of the insurance contract, the Policyholder must provide information known to them about circumstances which may have a material impact on the probability of the occurrence of an insured event and the amount of the potential loss (insurance risk), if these circumstances are not and must not be known to BTA, which BTA asks to be specified in a written request or which BTA makes a written enquiry about, as well as, at BTA's request, to provide the available documents relevant for the assessment of the insurance risk and the conclusion of an insurance contract.
- 8.4.** If the Policyholder fails to fulfil the obligation set out in Clause 8.3 of the Special Conditions of the Terms and Conditions and BTA, knowing this, still concludes the insurance contract, BTA may not rely on the fact that the obligation set out in Clause 8.3 of the Special Conditions of the Terms and Conditions has not been fulfilled.
- 8.5.** The insurance contract shall enter into force on the date agreed between the parties when the Policyholder pays the premium or the first part thereof, if the parties agree that the premium shall be paid in instalments.

9. THE TERM OF THE INSURANCE CONTRACT

- 9.1.** The Insurance Contract, unless otherwise agreed between the Policyholder and BTA, is concluded for a period of one year.
- 9.2.** The start and end of the term of the insurance contract (calendar date), as well as the extended reporting or retroactive periods set by the parties, are specified in the insurance certificate.

10. INCREASES AND DECREASES IN INSURANCE RISK

- 10.1.** The insurance risk increases or decreases when, during the term of the insurance contract, there is a change in circumstances directly related to the increase or decrease in the risk of an insured event and if BTA has indicated it in the insurance contract as having an impact on the increase or decrease of the insurance risk.
- 10.2.** If the insurance risk increases after the conclusion of the insurance contract, the Policyholder must notify BTA in writing of the increase in the insurance risk immediately, but at the latest within 3 working days from the

time when they became or should have become aware of it. In the event of an increase in insurance risk, BTA shall have the right to demand payment of an additional premium.

- 10.3.** If, during the term of the insurance contract, it becomes apparent that the insurance risk has diminished, the Policyholder has the right to request a reduction in the insurance premium.

11. OBLIGATIONS OF THE POLICYHOLDER AND BTA IN THE CASE OF AN INSURED EVENT

- 11.1.** The Policyholder must notify BTA in writing without delay, but not later than within 5 working days, of any claim for compensation, provided that the claim complies with the conditions set out in Clause 3.1 of the Special Conditions of the Terms and Conditions.
- 11.2.** In the case of an insured event, the Policyholder shall take all reasonable measures available to them to mitigate the possible damage, in accordance with the instructions of BTA, if such instructions have been given to the Policyholder.
- 11.3.** The Policyholder shall not be entitled to partially or fully accept or settle a claim for compensation without the written consent of BTA.
- 11.4.** BTA is obliged to reimburse the policyholder, in accordance with the procedure laid down in Section 16 of the Special Conditions of the Terms and Conditions, for the necessary expenses incurred in the performance of the obligation set out in Clause 11.2 of the Special Conditions of the Terms and Conditions.
- 11.5.** The Policyholder who is subject to an action for damages in court must inform the Insurer thereof without delay, but at the latest within 3 working days from the date of receipt of the notice to file a statement of defence to the action brought.
- 11.6.** BTA shall have the right to require the Policyholder to authorise persons appointed by BTA to represent the Policyholder's interests in court within 5 working days of the notification of the action by the Policyholder. If the interests of the Policyholder are represented in court by persons appointed by BTA, BTA shall be obliged to reimburse to the Policyholder the costs of litigation incurred and awarded against the Policyholder, as well as the costs of remuneration for the representative's assistance in accordance with the procedure laid down in Section 16 of the Special Conditions of the Terms and Conditions. When, without the insurer's authorisation, the policyholder conducts the litigation itself or is represented by another lawyer of his choice, their own fees are not reimbursed. Legal costs are added to the insurance benefit and deducted from the sum insured if specified in the insurance contract.
- 11.7.** If the Policyholder fails to fulfil the obligations set out in Clauses 11.5 and 11.6 of the Special Conditions of the Terms and Conditions, BTA shall not be obliged to reimburse the Policyholder for the expenses provided for in Clause 11.6 of the Special Conditions of the Terms and Conditions.

12. THE PROCEDURE FOR DETERMINING THE AMOUNT OF THE DAMAGE AND PAYING THE INSURANCE BENEFIT. CONDITIONS FOR DOUBLE INSURANCE

- 12.1.** An insurance benefit can only be paid once the fact and circumstances of the insured event and the amount of damage have been established. The right to apply for payment of the insurance benefit is vested in the Policyholder and/or the injured third party.
- 12.2.** The amount of the insurance benefit shall be determined by BTA, taking into account the extent of the damage caused. The amount of damages shall be determined in accordance with the Civil Code and other legal acts.
- 12.3.** Where the court has given a judgement or approved a settlement agreement in a civil action brought by an injured third party against the Policyholder for compensation for damage, the amount of the damage shall be determined in accordance with the final judgement or final court order approving the settlement agreement.
- 12.4.** The parties to the insurance contract may agree separately that the amount of damage caused will be determined by independent experts appointed by the parties to the insurance contract. In this case, the parties agree on the procedures to be followed for the appointment of independent experts, their remuneration, the conduct of the investigation and the presentation of the findings.
- 12.5.** The insurance benefit may not exceed the sum insured and the amount of the damage, except in the cases provided for in Article 6.1013 of the Civil Code. If the sum insured is insufficient to pay the insurance benefits to all the persons entitled to the insurance benefit, the insurance benefit is paid in proportion to the amount of the damage suffered by each person.

12.6. If the policyholder or the insured does not agree to BTA accepting the claims of third parties as valid, settling them amicably or settling their claims, the insurer shall not pay any additional costs (including interest) incurred as a result of such disagreement.

12.7. In the case of an insured event and if it is established that the civil liability of the Policyholder is covered by professional civil liability insurance for lawyers of several insurers, the insurance benefit paid by each BTA shall be reduced in proportion to the reduction of the sum insured under the relevant insurance contract.

13. THE POLICYHOLDER'S APPLICATION TO THE INSURER FOR PAYMENT OF AN INSURANCE BENEFIT TO AN INJURED THIRD PARTY

13.1. The Policyholder must provide BTA with these documents, or a copy of them, in order for the insurance benefit to be paid to the injured third party:

13.1.1. A claim form for the insurance benefit completed by the Policyholder in the form prescribed by BTA.

13.1.2. documentation on the services provided by the Policyholder that caused the damage, their circumstances, consequences and the amount of damage.

13.1.3. the claim for compensation by the injured third party, together with the documents submitted to the Policyholder.

13.2. BTA is obliged to pay the insurance benefit within the time limit set out in Article 96(2) of the Insurance Law. If the insurer fails to pay the policyholder the insurance benefit within the time limits set out in this Clause, the insurer shall pay 3% interest per annum for the period of delay in paying the insurance benefit.

13.3. BTA, having missed the due date for payment of the insurance benefit due to its own fault, shall pay to the Policyholder or to the injured third party the default interest and/or interest as provided for by law or by agreement between the parties.

13.4. If, after the time limit set out in Clause 13.2 of the Special Conditions of the Terms and Conditions, the insurance benefit is not paid or does not start to be paid, BTA must inform the Policyholder, the injured third party and state in writing the reasons for non-payment of the insurance benefit.

13.5. At the request of the Policyholder or the injured third party, BTA shall immediately, but not later than within 5 days from the receipt of the request, provide detailed information in writing on the progress of the investigation of the insured event and shall allow the representative appointed by the Policyholder and/or the injured third party to participate in the determination of the amount of the damage in the form of observer.

14. DIRECT RIGHT OF ACTION BY AN INJURED THIRD PARTY

14.1. The injured third party has the right to claim directly from BTA, which has concluded an insurance contract with the Policyholder, the payment of the insurance benefit. In order for the insurance benefit to be paid, the injured third party must provide BTA with the following documents or copies thereof:

14.1.1. an insurance benefit by an injured third party;

14.1.2. documentation on the Policyholder's improper performance of their obligations in the course of the provision of legal professional services, which led to the damage, its circumstances and consequences.

14.2. The necessary conditions for the exercise of the right of direct claim are the existence of the fact of the insured event, the establishment of the amount of the damage, and the fact that the Policyholder has not indemnified the injured third party, or has indemnified it only partially.

14.3. If the injured third party exercises the right of direct claim set out in Clause 14.1 of the Special Conditions of the Terms and Conditions, the rights and obligations of the policyholder and BTA set out in Section 13 of the Special Conditions of the Terms and Conditions shall continue.

15. PAYMENT OF THE INSURANCE BENEFIT TO THE POLICYHOLDER

15.1. If the Policyholder has indemnified the injured third party, the insurance benefit shall be paid to the Policyholder only if the Policyholder had the consent of BTA to indemnification, or if the Policyholder proves that BTA unreasonably withheld consent.

15.2. If the policyholder has indemnified the injured third party for part of the damage, the insurance benefit shall be payable to the insurer only if the policyholder has obtained BTA's written consent to indemnify the injured

third party, or if the policyholder proves that BTA unreasonably withheld its consent, and if BTA has paid out the insurance benefit to the injured third party for the part of the damage not indemnified.

16. REIMBURSEMENT OF THE POLICYHOLDER'S EXPENSES

- 16.1.** The Policyholder's expenses referred to in Clauses 11.4 and 11.6 of the Special Conditions of the Terms and Conditions shall be reimbursed only after the insurance benefit has been paid.
- 16.2.** The reimbursed expenses referred to in Clauses 11.4 and 11.6 of the Special Conditions of the Terms and Conditions, together with the insurance benefit, may exceed the sum insured only in the case provided for in Article 6.1013 of the Civil Code.
- 16.3.** Expenses incurred by the Policyholder to mitigate or avoid the damage shall not be reimbursed if it is subsequently established that the claim for compensation was not an insured event. The costs incurred by the Policyholder in complying with BTA's instructions (Clause 11.2 of the Special Conditions of the Terms and Conditions) shall be reimbursed even if it later turns out that the claim for reimbursement was a non-insured event.
- 16.4.** The Policyholder's expenses provided for in Clause 11.6 of the Special Conditions of the Terms and Conditions shall be reimbursed only if the Policyholder's interests have been represented in court by persons appointed by BTA. These costs shall be reimbursed even if it later turns out that the claim for damages was not an insured event.