

# VOLUNTARY INSURANCE FOR CARRIAGE OF GOODS

Regulations No 013.1 (Effective from 1 June 2015)



## CONTENT P.

### GENERAL TERMS AND CONDITIONS

1. Definitions as used in the insurance contract .....	1
2. Validity of insurance cover .....	2
3. Policyholder's duty to disclose .....	2
4. Insurance premium and payment procedure .....	2
5. Contracting for insurance by means of telecommunication terminal equipment .....	2
6. Expiration and amendment of the insurance contract .....	2
7. General exclusion clause .....	3
8. Policyholder's obligations upon occurrence of an event which can be recognized as the risk covered .....	3
9. Insurance benefits .....	3
10. Dispute settlement procedure .....	3
11. Management of personal data .....	3
12. Subrogation and the right of recourse .....	3
13. Confidentiality .....	4
14. Procedure of ceding the insurer's rights and obligations under insurance contract to other insurers .....	4
15. Notice giving procedure .....	4
16. Miscellaneous .....	4
<b>SPECIAL TERMS AND CONDITIONS</b>	
1. Explanations of terms used in the regulations .....	4
2. Insurance object .....	5
3. Insurance cover .....	5
4. Insurance contract enforcement procedure and validity period .....	5
5. Non-insured events .....	5
6. Sum insured .....	6
7. Conditions and procedure of payment of insurance benefits .....	6
8. Miscellaneous .....	6

### GENERAL TERMS AND CONDITIONS

#### 1. DEFINITIONS AS USED IN THE INSURANCE CONTRACT

1.1. **THE INSURER** – BTA Insurance Company SE Lithuanian Branch, hereinafter referred to as BTA.

1.2. **The 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.

1.2.1. Persons associated with the Policyholder and/or Insured Person to whom Policyholder's obligations are also binding:

a) Persons living together with the Policyholder or the Insured Person;

b) Persons responsible for insurance object pursuant to an agreement with the Policyholder or the Insured Person;

c) Persons sharing insurance interests together with the Policyholder or the Insured Person, or other persons named in the insurance contract;

d) Persons related to the Policyholder or the Insured Persons under employment, service delivery or other legal relationships and bound to act in conformity with the safety requirements.

1.3. **The Insured Person** – 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.

1.4. **The 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 Person and entitled to receive insurance benefits.

1.5. **Third party** – (refers to third party liability insurance) a person who suffers loss due to Insured Person's acts or omissions, entitled to insurance benefits in accordance with the terms and conditions of the insurance contract.

1.6. **The parties to the insurance contract** – the Policyholder and BTA.

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

1.8. **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.

1.9. **Insurance contract** – an agreement between BTA and the Policyholder, whereunder the Policyholder undertakes to pay insurance premiums specified in the insurance contract by the agreed time limits and to fulfill other obligations stipulated in the insurance contract, and BTA undertakes to pay down the benefit upon occurrence of the event insured (risk covered), as defined in the insurance contract.

1.10. **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.

1.11. **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).

1.12. **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.

1.13. **Insurance exceeding the value of insurance** – cases when the sum insured exceeds the value of insurance as of the date of contracting for insurance. In such cases, the benefit shall be paid down within the limits of the loss suffered.

1.14. **Double insurance** – cases when the Policyholder signs several insurance contracts with different insurance undertakings to cover the same risks. In such cases, the Policyholder should notify BTA in writing about other insurance contracts entered, sums insured and other contractual terms and conditions. Otherwise, the Insurer shall be entitled to recover insurance benefits being paid down. This provision shall not apply when, in accordance with the insurance contract, BTA is obliged to pay insurance benefit not related to property damage (insurance of sums).

1.15. **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.

1.16. **Deductible** – a portion of insurance benefit stipulated in the insurance contract as not to be indemnified by BTA. The deductible shall be defined as a specific amount of money or a percentage unless the policy specifies otherwise. Where the insurance contract provides for several types of deductible in respect of the same risk, the deductible which is bigger shall always apply.

1.17. **Insurance premium** – an amount of money set in the insurance contract which is payable by the Policyholder to BTA under the terms and conditions of the insurance contract for the insurance cover.

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

1.19. **Non-insured event** – an event when BTA does not pay the insurance benefit.

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

1.21. **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.

1.22. **A 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) a document transmitted by telegraph, fax communication or other telecommunications terminal equipment, provided that the security of the text is guaranteed and the signature can be identified, also including electronic messages.

## 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 paying the 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 at 00:00 on the next day following the receipt of the payment, but not earlier than specified in the insurance contract.

2.4. If the event insured occurs before the entry into force of the insurance cover, the insurance premium shall not be paid.

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. During the insurance contract validity period, the Policyholder must promptly notify of all changes occurring during the validity of the insurance period which are likely to increase the insurance risk. The changes to be disclosed include:

a) significant changes relating to the insurance object;

b) changes in the manner/ways of using the insurance object;

c) other circumstances specified in the Special Part of the Regulations.

3.3. 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.

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.

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 (two) months from getting aware of the risk increase.

3.4. 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 must pay insurance premium to BTA in the amount and by the time limit set in the insurance contract.

4.2. The premium shall be deemed paid:

4.2.1. when a payment order is used – from the receipt of money to the bank account of BTA or authorised insurance intermediary;

4.2.2. when other payment methods are used – from the date specified in a particular document confirming the fact of payment. The list of payment methods is available on our internet site [www.bta.lt](http://www.bta.lt), or 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. The above-indicated default interest shall not apply in the following cases:

a) the premium is paid as a lump sum;

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

4.4. If the Policyholder fails to pay in the insurance premium or its part at the time specified in the insurance contract (unless the entry into force of the insurance contract is linked to the payment of the insurance premium or its part), BTA must inform, by a written document provided for in the contract, that if the Policyholder fails to pay the insurance premium or its part within 30 (thirty) days of the day of sending the written document, the insurance contract will be terminated.

## 5. CONTRACTING FOR INSURANCE BY MEANS OF TELECOMMUNICATION TERMINAL EQUIPMENT

5.1. The Policyholder and BTA may conclude the insurance contract using telecommunication terminal equipment. Insurance contracts concluded between the Policyholder and BTA by post, internet, e-mail, telephone or other means of information exchange shall be considered to be duly concluded and binding.

5.2. If an insurance contract is made by means of telecommunications terminal equipment:

a) the insurance contract shall enter into force on the next day following payment of the full amount of the insurance premium or its part determined by BTA;

b) by paying the insurance premium, the Policyholder confirms that he agrees with all terms and conditions of the insurance contract;

c) the absence of a written policy does not affect validity of the insurance contract;

d) if so requested by the Policyholder, BTA is obliged to issue a copy of the policy to the Policyholder within 5 (five) working days.

## 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 (fifteenth) 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 (twenty) 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. Where the benefit was disbursed and/or reserved, or if claims were filed during validity of the insurance contract, within 20 (twenty) calendar days of the receipt of the Policyholder's notice, BTA shall refund the part of the insurance premium which is equal to the difference between the unused part of the insurance premium for the period of validity of the contract and disbursed and/or reserved insurance benefit, reduced by the costs of conclusion and performance of the contract (30% of the refundable amount).

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. Other circumstances classified as force majeure pursuant to the legislation of the Republic of Lithuania;

7.1.5. Malicious acts by the Policyholder, Insured Person or Beneficiaries.

## **8. POLICYHOLDER'S OBLIGATIONS UPON OCCURRENCE OF AN EVENT WHICH CAN BE RECOGNIZED AS THE RISK COVERED**

8.1. In order to become eligible to receive the insurance benefits upon occurrence of a potential event insured, the Policyholder or the Insured Person is obliged:

8.1.1. To give a prompt notice within 3 working days (unless specified otherwise in the special terms and conditions of the Regulations) to BTA about occurrence of the event likely to be recognized as the risk covered in the procedure laid down in the special terms and conditions of the Regulations. Where the Policyholder or the Insured Person notifies BTA of the occurrence likely to be recognized as the event insured (risk covered) after expiration of the set time limit, the Policyholder or the Insured Person must prove that it was impossible to give notice on 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 likely to be recognized as the risk covered, 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 Person 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 fulfill the requirements in paragraph 8.1.3 above.

8.2. Where the Policyholder or Beneficiary deliberately or by gross negligence fails to fulfill the obligations stipulated in the Regulations, BTA shall be entitled to reduce or disallow payment of the insurance benefit.

8.3. While staying at the scene of event, the Policyholder or the Insured Person shall immediately call BTA at indicated information number (85) 2600 600 24 hours per day and provide information on the event to receive BTA's instructions as to how to meet the conditions above in a proper and consistent way so that to receive the insurance benefit.

## **9. INSURANCE BENEFITS**

9.1. The insurance indemnity must be paid down within 30 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 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 must pay 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.

9.3. 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.

9.4. 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.

## **10. DISPUTE SETTLEMENT PROCEDURE**

10.1. Any disputes between the parties shall be settled by negotiations. In case of failure to agree, all disputes arising out of the insurance contract and relating to violation, termination or invalidity of 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 the head office of the Lithuanian branch of BTA.

## **11. MANAGEMENT OF PERSONAL DATA**

11.1. By entering into the insurance contract, the Policyholder and/or the Insured Person expresses his consent that BTA would manage, as a data controller, personal data of the Policyholder (except for special categories of personal data) in accordance with the provisions of the Law on Legal Protection of Personal Data to an extent it is necessary for the assessment of risks, solvency and debt management as well as for the purpose of direct marketing and statistics. The Policyholder and/or the Insured Person further agrees that BTA would disclose data on debtors, including personal identification numbers, to other data controllers who process consolidated debtor files. In addition, the Policyholder agrees that BTA would receive information from data controllers processing personal data, when such information is necessary for BTA for the aforementioned purposes and requirements of legal acts of the Republic of Lithuania are not violated. BTA must process personal data accurately, fairly and lawfully as well as take measures to ensure protection of personal data. BTA shall be liable for violations of the Law on Legal Protection of Personal Data in compliance with legislation of the Republic of Lithuania.

## **12. SUBROGATION AND THE RIGHT OF RECOURSE**

12.1. When the Insurer pays the insurance benefit, the right to claim the amounts paid from the party liable for the inflicted damage shall transfer to the Insurer (subrogation or the right of recourse). The Policyholder, the Insured Person or the Beneficiary must provide BTA with all required information to enable the Insurer to properly exercise the right of claim transferred thereto.

### 13. CONFIDENTIALITY

13.1. The parties undertake not to disclose the confidential information received on the basis of contractual or pre-contractual legal relations to any third parties, not to use such information to the detriment of interests of the other party to the insurance contract. BTA shall be entitled to provide all relevant information, as received on the basis of the contractual or pre-contractual legal relations, to independent experts and reinsurers, as well as 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. PROCEDURE OF CEDING THE INSURER'S RIGHTS AND OBLIGATIONS UNDER INSURANCE CONTRACT TO OTHER INSURERS

14.1. BTA is entitled to cede its rights and obligations to other insurance undertakings in the statutory procedure.

14.2. 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.

### 15. NOTICE GIVING PROCEDURE

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

15.1.1. by delivering to the Policyholder according to the addresses specified in the insurance policy or other written documents or in the parties' notifications of the change of the head office addresses;

15.1.2. by sending a registered postal correspondence item;

15.1.3. by e-mail, where the parties have agreed on such notification method in the contract or have expressed by conclusive actions their agreement to exchange the information in such a manner.

### 16. MISCELLANEOUS

16.1. Unless specified by the Policyholder otherwise upon signing the insurance contract, the Policyholder agrees that BTA would send him insurance offers concerning:

a) extension of existing insurance contracts;

b) entering into new insurance contracts in whatsoever class of insurance.

16.2. Contractual insurance relations shall be governed by the law of the Republic of Lithuania.

16.3. 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.

16.4. The Policyholder, Insured Person, Beneficiary and other persons acquiring any rights on the basis of the insurance contract are required to fulfill the obligations stipulated in the Regulations.

16.5. 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.

16.6. In case of any differences or discrepancies between the languages, the wording in the Lithuanian language shall override.

16.7. The Regulations are available on BTA's web site at <http://www.bta.lt>.

## SPECIAL TERMS AND CONDITIONS

### 1. EXPLANATIONS OF TERMS USED IN THE REGULATIONS

<b>General average</b>	Losses resulting from unanticipated, but not accidental, targeted and calculated actions or sacrifices made for the purpose of saving a ship, freight and goods, cargo from imminent danger.
<b>Natural disaster</b>	An event caused by natural forces. This term does not include usual climatic conditions at the place of the event that are not considered a storm, hail, etc. at such place. The criteria of natural hydro-meteorological phenomena shall be established by hydro-meteorological services of the country of registration of the insured event and approved by the government of that country.
<b>Natural forces</b>	A storm, tide, rainfall, hail, snow pressure, soil settlement, lightning, earthquake, landslide, volcano eruption.
<b>Explosion</b>	A sudden increase in volume of solid, liquid or gaseous substances resulting in release of an air wave of great force.
<b>Fire</b>	An uncontrolled burning, i.e. spreading or fuming of fire in a motor vehicle or place of storage of goods in the course of which flames or resulting high temperature destroys or damages the goods.
<b>Goods</b>	A material object (the entirety of objects) carried in one unit of transport, e.g., container, semi-trailer, trailer, wagon).
<b>Part of goods</b>	A part of the entirety of material objects of one type (kind) in one unit of transport.
<b>Value of goods</b>	An actual value of goods at the place of dispatch.
<b>Damage of goods</b>	Any change in physical condition of the goods or their part resulting in the reduction of the value of goods or their part.
<b>Loss of goods</b>	The loss of goods together with a motor vehicle. A motor vehicle shall be considered to be lost together with goods if 60 days have elapsed from its planned arrival and no news is received about it until submission of a claim. If the reason of the interruption in the communication may be a war or events comparable to a war, a civil war or unrest in the country, this term shall be extended in consideration of such circumstances.
<b>Theft of goods</b>	Missing goods with signs of breaking into a motor vehicle (torn tent, removed seal, damaged body of a motor vehicle or other damages made to the motor vehicle allowing to take out the missing goods through the place of damage), a container (removed seal or damaged body allowing to take out the missing goods through the place of damage), a box (damaged body allowing to take out the missing goods through the place of damage) or a place of storage (damaged windows, walls, gates, a lock of gates or doors, a fence or other security elements allowing to take out the missing goods through the place of damage), when the fact and quantity of the missing goods is recorded by means of respective notes made in waybills and consignment notes in line with normative acts regulating the carriage of goods. For goods carried by road without transhipment when there are signs of breaking into a box, but there are no signs of breaking into a motor vehicle carrying the goods the missing goods shall not be considered to be a theft. When there are signs of breaking into the place of storage of goods, but no signs of breaking into the warehouse at the place of storage where goods were placed, or no signs of breaking into a motor vehicle in which goods were placed, such missing of the goods shall not be considered to be a theft.
<b>System</b>	Computers (electronic calculating machines), other calculation, electronic and/or mechanical equipment connected to a computer, computer hardware or software, electronic data processing equipment and all other items the operation of which fully or partially depends on the smartcard system. The smartcard system includes integrated schemes and microcontrollers.

## 2. INSURANCE OBJECT

- 2.1. The insurance object shall be property interests related to damage, loss, destruction or disappearance of goods carried (transported) by all types of transport modalities.
- 2.2. Carried goods, which were damaged at the beginning of carriage, may be insured if such damages do not affect the occurrence of the insured event and losses. Upon occurrence of the insured event BTA shall pay only those losses related to the loss or damage of goods insured against losses occurring during transportation, which had not been affected by the damage of goods existing at the beginning of journey.

## 3. INSURANCE COVER

### Insured event

- 3.1. An insured event – means an event specified in the insurance contract, upon occurrence of which BTA must pay the insurance benefit. On approval of BTA, the Policyholder may choose, at his discretion, the following variants of the insurance cover:
- 3.1.1. **All Risks Insurance (A)**. Insurance against all risks of carriage of goods relating to the damage, destruction, theft and (or) loss of goods or their part, except for risks arising from causes listed in Chapter 5 "Non-insured events" of these Regulations.
- 3.1.2. **Limited Liability Insurance (B)** – damage and (or) destruction and (or) loss of carried goods or their parts caused by the below specified insured events:
- turnover of motor vehicles, their collision with solid moving and stationary objects, running off the road;
  - fall of trees or aircraft or parts thereof;
  - collapse of bridges;
  - natural disasters;
  - fire, explosion;
  - accident at the time of loading – unloading (if agreed upon in written), transshipment, intermediate storage of goods;
  - damage of a ship by ice, stranding, sinking or turning over of a ship;
  - penetration of sea, lake or river water into the ship hold, motor vehicle, container, transported on board of a ship, premises of loading the insured object; heating system water supply accidents;
  - fallout of goods, washing goods overboard during storm;
  - fallout of goods in a separate packaging during loading, transshipment or unloading;
  - forced throwing out of goods overboard in order to save a ship or goods;
  - general average losses.
- 3.1.3. **Limited Liability Insurance (C)** – damage and (or) destruction and (or) loss of carried goods or their parts caused by the below specified insured events:
- turnover of motor vehicles, their collision with solid moving and stationary objects, running off the road;
  - fall of trees or aircraft or parts thereof;
  - collapse of bridges;
  - natural disasters;
  - fire, explosion
  - damage of a ship by ice, stranding, sinking or turning over of a ship;
  - fallout of goods, washing goods overboard during storm;
  - forced throwing out of goods overboard in order to save a ship or goods;
  - general average losses.

### Geographical coverage

- 3.2. The insurance cover shall apply within the boundaries of the territory specified in the insurance policy. If the place of loading/unloading of goods is outside the boundaries of such territory, the insurance cover shall not apply to the entire carriage, unless the insurance contract provides otherwise.

## 4. INSURANCE CONTRACT ENFORCEMENT PROCEDURE AND VALIDITY PERIOD

### Single contract for the insurance of goods

- 4.1. The terms of validity of a single contract for the insurance of goods shall be determined on the basis of the application for contracting for the insurance of goods filled in by the Policyholder. The insurance contract shall come into force upon payment by the Policyholder of the insurance premium or the first instalment thereof specified in the insurance policy, however, no earlier than specified in the insurance policy.

### General (annual) contract for the insurance of goods

- 4.2. The terms of validity of the general (annual) contract for the insurance of goods shall be determined on the basis of the application for contracting for the insurance of goods filled in by the Policyholder. The beginning of such contract shall be calculated from the moment when the insurance premium or its part reaches cashier's office or account of BTA. The contract may be extended on agreement of the Parties.

### Duration of the insurance cover

- 4.3. the insurance cover shall come into force when the goods are removed from the place of loading (storage) specified in the insurance contract (for the enforcement of the insurance contract before loading of goods a separate written agreement of the Policyholder and BTA shall be required) and shall continue during the process of normal carriage (including the necessary transshipments);
- 4.4. The liability of BTA shall cease in the following cases:
- a) when goods are delivered to the final point of delivery (destination) specified in the insurance contract, but no later (in the case of a single contract for the insurance of goods) than the expiration of validity of the insurance contract;
  - b) when, on instruction of the Policyholder, intermediate storages last for more than 30 days; if during loading of a ship the goods stay in the port for more than 30 days; and when such carriage lasts for more than 90 days;
  - c) when goods are sold out after the insured event and the Policyholder recovers the full value of the goods.

## 5. NON-INSURED EVENTS

### 5.1. A non-insured event means destruction, loss or damage of carried goods caused by:

- 5.1.1. inadequate or insufficient packaging or preparation for carriage of goods in violation of the standards and norms provided for by the manufacturers. If the manufacturer has not provided for any transportation standards and (or) norms, the regular requirements for the packaging or preparation of goods for carriage shall be observed;
- 5.1.2. carriage by means of transport not adapted for that purpose;
- 5.1.3. delayed carriage (if such delay has not been agreed with BTA in writing in advance);
- 5.1.4. normative outage, leakage, loss of weight or volume of goods as well as their depreciation or disintegration;
- 5.1.5. impact of air humidity or temperature fluctuations characteristic of the given area, moistening (getting wet) of goods due to atmospheric precipitation, drying-off of goods;
- 5.1.6. natural inherent qualities of goods;
- 5.1.7. damage or destruction caused by pests (insects, rodents, etc.);

- 5.1.8. shortage of goods, difference between weight of goods during loading and unloading with packaging and/or seals intact;
  - 5.1.9. fire, explosion resulting from self-flammable or easily flammable substances and objects loaded and carried together with goods, when the Policyholder, consignor, consignee or carrier knew about that, but BTA has not been informed to the effect;
  - 5.1.10. insolvency of owners, managers, carriers or motor vehicle operators or their default on financial obligations pertaining to the carriage of goods;
  - 5.1.11. in the cases of the Limited Civil Liability Insurance B and C variants – a theft of all or part of goods.
- 5.2. BTA shall not indemnify losses resulting from non-insured events and shall not assume any liability for damage arising from:**
- 5.2.1. confiscation and arrest of goods and from the resulting consequences;
  - 5.2.2. delayed-action mines, controlled military missiles or other delayed-action military weapons.
- 5.3. Unless the insurance contract establishes otherwise, BTA shall in all instances be exempted from payment of the insurance benefit:**
- 5.3.1. for direct or indirect damage to tangible assets and/or damage resulting from interruption of production (business) caused by any system failure which (directly or indirectly) damages any such system or any other insured assets;
  - 5.3.2. for liability of any type directly or indirectly arising from a system failure. A system failure means breakdown of a system (whether or not held by the Policyholder and/or beneficiary) or inability of a system to:
    - a) correctly recognise and (or) process ant date related data as calendar dates which should be reflected by the data;
    - b) operate according to any command programmed in the system which used any date.
  - 5.3.3. if the Policyholder fails to fulfil the obligation provided for in item 8.1. of the General Terms and Conditions by his contractual obligations or other actions

## 6. SUM INSURED

6.1. The sum insured shall be determined on the basis of actual value of the insurance object on the day of concluding the insurance contract. The actual value of the insurance object shall be determined by the Policyholder. The actual value of the insurance object may be determined using acquisition documents, waybills or other documents where the actual value of the insurance object is specified. Where carriage of the insurance object is subject to the international terms of delivery **INCOTERMS 2000 CIF** and **CIP**, on request of the Policyholder, the sum insured may be larger than the value of the insurance object, having regard to the transportation costs. The transportation costs may be indemnified for up to 10% (ten percent) of actual value of the insurance object.

## 7. CONDITIONS AND PROCEDURE OF PAYMENT OF INSURANCE BENEFITS

- 7.1. Procedure of calculation of insurance benefits:
  - 7.1.1. the insurance benefit may not exceed the sum insured specified in the insurance contract;
  - 7.1.2. in the event of damage of goods the issue of realisation of damaged products shall be coordinated with BTA and the realisation shall not be allowed without written consent of BTA;
  - 7.1.3. goods shall be considered to be damaged if costs of their recovery, salvage and storage exceed the real price of realisation of the goods on the market. In that case the Policyholder may claim a part of the sum insured due to him, after deducting the value of salvaged items (unless the contract provides otherwise);
  - 7.1.4. if the missing goods are returned to the Policyholder, the Policyholder must repay the insurance benefit for such goods within 7 (seven) business days of the date of return of the goods, after deducting the costs of recovery of returned assets approved by BTA;
  - 7.1.5. the insurance benefit shall be paid after deducting from it the amount of unconditional deductible specified in the insurance contract. If the insurance contract is concluded for several carriages, the unconditional deductible amount shall be deducted with respect to damage made during each carriage;
  - 7.1.6. if the sum insured is smaller than the value of goods, BTA shall indemnify losses only according to the ratio between the sum insured and the value of goods.
- 7.2. The right to claim payment of the insurance benefit shall be enjoyed by the Policyholder and in cases provided for by the insurance contract – by the beneficiary. If the payment of the insurance benefit is claimed by the Beneficiary or third party, BTA shall have the right to use against the latter all objections to which BTA is eligible against the Policyholder.
- 7.3. The insurance benefit shall be disbursed to the Beneficiary. If there is a written consent of the Beneficiary or if there is no Beneficiary – to the Policyholder.
- 7.4. The cases of reduction or refusal of the insurance benefit.
  - 7.4.1. The insurance benefit may be reduced or refused in the following cases:
    - 7.4.1.1. if the Policyholder or a representative thereof defaults on the obligations established in these Regulations. When reducing the insurance benefit BTA must take into consideration the Policyholder's fault, the gravity of violation of the terms and conditions of the insurance contract and obligations, a causal link between the violation and the insured event or the amount of claim;
    - 7.4.1.2. due to gross negligence of the Policyholder, representative thereof or Beneficiary;
    - 7.4.1.3. if the Policyholder has failed to take available reasonable measures to reduce or avoid damage;
    - 7.4.1.4. if the Policyholder has defaulted on the obligation to notify of the insured event within the established time limit, unless it is proved that the Insurer has been notified of the event in good time.
  - 7.4.2. The insurance benefit shall be refused in the following cases:
    - 7.4.2.1. if the Policyholder or a representative thereof has waived his right of claim to a person responsible for the inflicted damage, or if such right can no longer be exercised because the Policyholder has failed to provide all documents necessary in order to implement the right of subrogation;
    - 7.4.2.2. if the insurance contract is concluded after the event;
    - 7.4.2.3. if the Policyholder misleads the Insurer by falsifying the facts that are relevant for determining the basis and amount of the insurance benefit.
- 7.5. If the Policyholder defaults on or violates the obligations set forth in point 7.4.1 of these Regulations, BTA shall have the right to refuse payment of the insurance benefit or to reduce its amount in consideration of the Policyholder's fault, gravity of violation of the terms and conditions of the insurance contract and causal link between the violation and the insured event or the amount of claim.

## 8. MISCELLANEOUS

### Precedence of documents

8.1. If the insurance policy specifies insurance conditions that differ from the terms and conditions of these Regulations, the conditions of the insurance policy shall apply.