

These insurance terms set forth the scope and conditions of the coverage specified in the cargo insurance contract between the insurer and the policyholder. The contractual rights and obligations in this document apply to both the policyholder and persons equated with the policyholder.

1. Definitions

- 1.1. **Insurer** refers to Elama Kindlustus AS.
- 1.2. **Policyholder** is the person who has entered into an insurance contract with the insurer. This may include persons with an insurable interest (such as the owner of the insured object, including the cargo buyer, seller, or legal possessor, the sender or receiver of the cargo, the freight forwarder, or the carrier).
- 1.3. **Insured Object** is the movable property (cargo) being transported, provided that the cargo's location changes during the insurance period.
- 1.4. **Insurance Period** is the agreed period (indicated on the policy) during which the insurance contract is valid.
- 1.5. **Insurance Risk** is the risk against which the coverage is provided.
- 1.6. **Sum Insured** is the maximum amount of compensation determined in the insurance contract for the insurance period.
- 1.7. **Insurance indemnity** is the amount paid to compensate for the damages and expenses arising from the insured event. The insurance premium is the fee determined by the insurer for the insurance, which the policyholder must pay to the insurer.
- 1.8. **Insured Event** is a sudden, unexpected event that occurs during the insurance period, as defined in these terms, which entitles the insured person or a third party to receive compensation and obliges the insurer to pay the compensation.
- 1.9. **Deductible** is the amount of money that is not compensated by the insurer in the event of an insured event.
- 1.10. **Policy** serves as an offer to enter into an insurance contract under the terms stated in the policy until the insurance contract becomes effective; after it takes effect, the policy confirms the conclusion of the insurance contract.
- 1.11. **Beneficiary** is the person entitled to receive compensation in the event of an insured incident, typically the policyholder.

2. Insured event

- 2.1. An insured event is the realization of an unexpected and unforeseen insurance risk, resulting in the damage, destruction, or loss of the insured cargo.

- 2.2. Depending on the notation on the insurance policy, coverage may include all risks, specific risks, or loss of the cargo.
- 2.3. The insurance terms can be amended, interpreted, or replaced with other generally accepted terms (such as ICC (A), ICC (B), ICC (C)) by mutual agreement between the parties.
- 2.4. All Risks: Under an all-risks policy, compensation is provided for:
 - 2.4.1. Damage to or total loss of the whole or part of the cargo, from any cause except exclusions specified in sections 3.1.1 - 3.1.9;
 - 2.4.2. General average loss;
 - 2.4.3. All necessary and reasonable expenses for saving the cargo, reducing losses, or determining the extent of losses if compensation is provided according to the insurance terms.
- 2.5. Specific Risks: Under a specific risks policy, compensation is provided for:
 - 2.5.1. Damage to or total loss of the whole or part of the cargo due to fire, lightning, storm, whirlwinds, or other natural disasters, vehicle wreckage, collision, strikes, grounding, explosion, ice damage to ships, overboard water damage, and measures taken to save the cargo or extinguish fire;
 - 2.5.2. Damage due to the unknown disappearance of a ship or aircraft;
 - 2.5.3. Damage during loading, packing, unloading, or fueling of the vessel;
 - 2.5.4. General average loss;
 - 2.5.5. All necessary and reasonable expenses for saving the cargo, reducing losses, or determining the extent of losses if compensation is provided according to the insurance terms.
- 2.6. Total Loss of Cargo: Under a total loss policy, compensation is provided for:
 - 2.6.1. Damage or total loss of the whole or part of the cargo due to fire, lightning, storm, whirlwinds, or other natural disasters, vehicle wreckage, collision, or grounding, and measures taken to save the cargo or extinguish fire;
 - 2.6.2. Damage to cargo due to vehicle wreckage, collision, or grounding, as well as fire and explosion on transport vehicles;
 - 2.6.3. General average loss;
 - 2.6.4. Necessary and reasonable expenses related to saving the cargo and assessing damages if compensation is provided.
- 2.7. Under the insurance contract, liability begins when the cargo is removed from the sender's warehouse for transport and continues throughout transport until it is delivered to the final warehouse indicated in the policy, but not longer than 30 days after unloading at the final port.

- 2.8. During delivery on ferries or other feeder vessels, the insurer is liable only if the use of these vessels is customary under local conditions.
- 2.9. Loss from the mass death of animals and birds, accidents involving them, cargo leakage, quantity reduction, or breakage or damage to fragile materials (glass, porcelain, ceramics, etc.) is covered under terms 2.5 or 2.6 only if it occurred as a result of a shipwreck or vehicle accident.

3. Exclusions

- 3.1. **Indemnity is not provided if the loss arises from:**
 - 3.1.1. Various military activities, piracy, civil war, riots, strikes, confiscation or requisition by military or civilian authorities, seizure, or destruction of cargo;
 - 3.1.2. The direct or indirect impact of nuclear explosions, radiation, or radioactive contamination;
 - 3.1.3. Intentional or gross negligence by the policyholder or their representative, or violations of requirements for the shipment, forwarding, or preservation of cargo;
 - 3.1.4. Temperature, cargo hold air, or other factors due to the nature of the cargo;
 - 3.1.5. Inadequate packaging or sealing, or shipment in damaged condition;
 - 3.1.6. Explosive or self-igniting materials (if not disclosed to Elama's representative);
 - 3.1.7. Loss from leakage from fully intact packaging;
 - 3.1.8. Damage caused by worms, rodents, or insects;
 - 3.1.9. Delayed delivery, depreciation in value, and other indirect damages;
 - 3.1.10. Flood or earthquake;
 - 3.1.11. Condensation or precipitation damage in ship holds;
 - 3.1.12. Cargo becoming worthless while intact;
 - 3.1.13. Cargo overboard due to waves;
 - 3.1.14. Theft or non-delivery.
 - 3.1.15. Ocean transport damage or shortage under 3% of the total insured amount per bill of lading.
- 3.2. The insurer is released from liability or may reduce compensation if the policyholder or beneficiary:
 - 3.2.1. Provided false information that affected the assessment of insurance risk;
 - 3.2.2. Failed to notify the insurer of substantial changes in risk;
 - 3.2.3. Did not take measures to save or preserve the cargo;
 - 3.2.4. Waived claim rights against third parties.

4. Insurance contract

- 4.1. The insurance contract consists of the policyholder's application, the policy, and these terms and conditions.
- 4.2. The insurance contract is concluded based on the policyholder's written application, which must contain the following information:
 - 4.2.1. The exact name of the goods, type of packaging, number of units, and weight of the cargo;
 - 4.2.2. The bill of lading or other shipping document number and date;
 - 4.2.3. Type of transport (for maritime transport, the name of the vessel, year of construction, flag, and tonnage);
 - 4.2.4. The method of cargo transport (in the ship's hold or on deck, bulk, liquid substances in tanks, etc.);
 - 4.2.5. The start and end points of the cargo shipment, as well as transshipment points;
 - 4.2.6. The date of shipment;
 - 4.2.7. The insured sum of the cargo;
 - 4.2.8. The insurance terms and conditions.
- 4.3. The policyholder is obliged to disclose all relevant information essential for concluding the insurance contract. If the policyholder lacks detailed information, a preliminary insurance contract may be concluded, indicating the type of cargo, points of departure and destination, expected departure date, approximate insured sum, and main insurance terms as provided by the policyholder. The final insurance contract will be formalized upon submission of the missing information.
- 4.4. The insurance contract is a formal agreement between the insurer and the policyholder, whereby the policyholder agrees to pay the insurance premium specified in the contract and fulfill other obligations arising from the contract, and the insurer agrees to pay the insurance compensation or part thereof upon the occurrence of an insured event and to fulfill other obligations arising from the contract.
- 4.5. The insurance contract takes effect 48 hours after the receipt of the insurance premium or the first full insurance premium payment by the insurer, but no earlier than the first day of the insurance period. There is no retroactive coverage, and the contract is not in force until the premium is received, meaning that the insurer has no obligation to fulfill the contract.
- 4.6. After concluding the contract, the policyholder may not, without the insurer's consent, increase the likelihood of the insurance risk or permit others for whom the policyholder is responsible to do so (e.g., significant delays in dispatching the cargo, deviations from the agreed or customary route,

delays at the destination, changes in loading or transshipment points, changes in the transport vehicle, etc., not provided for in the contract).

- 4.7.** If the insurance risk increases after the conclusion of the insurance contract, the insurer has the right to amend the insurance terms and require the payment of an additional insurance premium. If the policyholder does not agree to the amended terms or refuses to pay the additional premium, the insurance contract will be terminated from the moment of the risk change.

5. Mutual Relations of the Contracting Parties in the Event of an Insured event

- 5.1.** In the event of an insured incident, the policyholder is obliged to take all measures to rescue and preserve the damaged cargo, ensure subrogation rights, and promptly inform the insurer of the incident. The insurer has the right to participate in the rescue or preservation of the insured cargo, taking any necessary measures or indicating such measures.
- 5.2.** All costs associated with the rescue and preservation of the cargo, as well as preventing further damage, are borne by the policyholder unless otherwise agreed. Expenses consistent with the insurance terms are subject to compensation and will be reimbursed by the insurer to the policyholder according to the extent of the damage.
- 5.3.** To claim compensation, the policyholder or beneficiary must submit an application for compensation and must prove:
- 5.3.1.** Their right to the insured property;
- 5.3.2.** The occurrence of the insured event;
- 5.3.3.** The extent of the damage.
- 5.4.** The policyholder and the beneficiary must cooperate with the insurer in clarifying the circumstances of the insured event and provide the insurer with requested information if it can reasonably be expected from the policyholder/beneficiary.
- 5.5.** Claims arising from the insurance contract against the insurer expire two years after the occurrence of the insured event.
- 5.6.** If the policyholder received compensation for damages from third parties, the insurer will pay the policyholder the difference between the payable amount and the amount received from third parties.
- 5.7.** Upon payment of the insurance indemnity, all claims and rights of the policyholder against third parties are transferred to the insurer. The policyholder is obliged to hand over to the insurer all documents and materials related to the

insured event and fulfill all formalities necessary to secure subrogation rights.

- 5.8.** For matters not regulated by these terms or the policy, the parties to the insurance contract shall follow the laws of the Republic of Estonia.
- 5.9.** The policyholder has the right to refer disputes with the insurer to the Insurance Conciliation Body operating under the Estonian Insurance Association (www.eksl.ee; Mustamäe tee 46 (A-block), 10621 Tallinn).
- 5.10.** All disputes arising from the insurance contract, including disputes not resolved by the Insurance Conciliation Body, will be settled in court.
- 5.11.** Estonian law applies to this insurance contract.
- 5.12.** Insurance supervision is carried out by the Financial Supervision Authority, Sakala 4, Tallinn 15030.