Information Paper – Offer

1. **Insurer – Joint Stock Company JSC Insurance Company ALDAGI**
2. **Type of Insurance** –Property Insurance
3. **Insured Risk Description/Insurance Coverage Terms** - The Subject of the insurance agreement shall be insurance of the property being in lawful possession of the **Insured** according to the insurance terms, upon payment of the relevant insurance premium, against the risks according to the following insurance coverage:

I. **Main Insurance Coverage:**

In case of purchasing the Insurance Product – NEW FLAT

- fire
- Lightning stroke
- explosion
- earthquake
- storm
- tempest
- whirlwind
- hail
- inundation
- land slip
- land slide
- Snow slide
- weight of snow
- theft with enty
- robbery, plunder
- vandalism
- falling of a plane or its parts, or other aircraft or any part thereof
- flooding, resulted by a sudden and unpredicted damage of water-sewage system

In case of purchasing the Insurance Product – MY FLAT

- fire
- Lightning stroke
- explosion
- earthquake
- storm
- tempest
- whirlwind
- hail
- inundation
- land slip
- land slide
- Snow slide
- weight of snow
- theft with enty
- robbery, plunder
- vandalism
- falling of a plane or its parts, or other aircraft or any part thereof
- flooding, resulted by a sudden and unpredicted damage of water-sewage system

In case of purchasing the Insurance Product – OLD CITY

- fire
- Lightning stroke
- explosion
- theft with enty
- robbery, plunder

- vandalism
- falling of a plane or its parts, or other aircraft or any part thereof

In case of purchasing the Insurance Product – MY GARDEN

- Fire
- Lightning stroke
- explosion
- earthquake
- storm
- tempest
- whirlwind
- hail
- inundation
- land slip
- land slide
- Snowslide
- weight of snow
- theft with enty
- robbery, plunder
- vandalism
- falling of a plane or its parts, or other aircraft or any part thereof
- flooding, resulted by a sudden and unpredicted damage of water-sewage system
- damage of water pipes and heating system as a result of an unusual and unpredictable freezing

II. **Additional insurance Coverages which may be purchased by the Insured:**

- Third party liability Insurance raised from the exploitation of insured property
- Lost Leasing Amount
- Insurance from the Damage Incurred by the Lessee

4. **Preconditions, amounts and rules of reimbursement of other financial expenses other than payment of insurance premium by the insured** – not applicable

5. **Type of deductible, amount and preconditions of use**

Deductible is the amount of sum which to be deducted from the total indemnity and which is not subject of Insurers liability.

Deductible - if applicable - is determined in the insurance policy

Deductible may be:

Conditional - a certain threshold expressed in monetary terms. If the loss is below or equals such threshold, **the insurer** shall not indemnify the loss or damage. However once the loss exceeds this threshold, the insurer shall indemnify the total amount of loss;

Ordinary - the minimum amount which shall be always deducted from the total loss amount;

If the Policy does not provide exact type of **deductible,** ordinary **Deductible** shall apply.

Deductible can be determined both for all kinds of loss or each and every loss basis in different amounts.

6. Exclusions

<u>6.1. Exclusions for Main Insurance Coverage</u>

6.1.1. Insurance does not cover and respectively, the Insured is released from the obligation of payment of the insurance reimbursement in the below cases:

6.1.1.1. Damage or destruction resulted by pressure waves arisen due to plane or other aircraft moving by the sonic or supersonic speeds.

6.1.1.2. Damage or loss of electronic or electric device, resulted by leaving such devices connected with antenna of the device during the Lightning stroke

6.1.1.3. Damage resulted by flames, not caused due to the fire.

6.1.1.4. Damage or loss resulted by a sudden fermentation or heating of insured property itself, or by passing any thermal process by the insured property.

6.1.1.5. Damage incurred to the equipment, household equipment and other household items left under an open air, or damage incurred to the equipment, household equipment and other household items already damaged by the moment of the damage being in a building, including the damage due to leaving the doors, windows as well as roof windows open.

6.1.1.6. Any damage incurred to your engineering equipment standing outside, outside facing, except for the cases when this is caused by the destruction of the construction elements of the insured flat/building.

6.1.1.7. Damage caused by improper use of drainage systems.

6.1.1.8. The cases of theft (whether the criminal case is initiated for theft or not), if the fact of entry into or exit from the insured property of criminals is not proved with relevant evidences.

6.1.1.9. Any damage due to leaving the damaged property without supervision.

6.1.1.10. Damage which is resulted by artificial lowering or movement of soil after land works, erosion of the river bank and adjacent territory.

6.1.1.11. Damage resulted by destruction of any property, change or repair of the structure, as well as construction works of the foundation or digging out.

6.1.1.12. Damage incurred to gardens, parking lots, roads, pavements, gates and fences, except for the cases when this caused damage to the insured premises.

6.1.1.13. Damage or loss having place within the process of repair, cancelation, prolongation or replacement of water pipes, reservoirs or equipment.

6.1.1.14. Damage due to theft with entry and vandalism, if there was nobody in the insured flat/house for more than 1 month, except for the case when there is an indication in the policy that the insurance covers the flats/houses with no tenants for more than 1 month in a year.

6.1.2. Besides, by calculating the Restoration Costs, the following costs are not subject to reimbursement:

6.1.2.1. Additional costs made for improvement of the damaged site or change of its characteristics;

6.1.2.2. During the normal operation, the costs of preventive repair and service;

6.1.2.3. Costs which are required independent of the Insure Event;

6.1.2.4. Other costs, exceeding the required one.

- The Insurer will not be liable for the additional damage resulted by the failure to eliminate the primary damage in a timely manner.

6.2. Exclusions for Third party liability Insurance additional Coverage:

6.2.1. No Liability will be subject of reimbursement, if it:

6.2.1.1. is arisen by the damage or destruction of the property which is leased by you or is under your or any of your family member control or under the ownership of your relatives.

6.2.1.2. exceeds the liability set forth by the law.

6.2.1.3. is assigned as per any of the contracts or as a penalty sanction.

- The Insurer is released from the obligations if the Insured has intentionally caused the liability towards the third party.

- At the same time the events when Insured and/or Insured's representative admits the claim or a part thereof at the trial without any preliminary written agreement with Insurer shall not be considered as basis for compensation

6.3. Exclusions for Lost Leasing Amount Insurance additional Coverage:

6.3.1. The Insurer is released from the obligations to pay the insurance reimbursement, unless the Insured notifies the Insurer about the amendment/termination of the lease contract determined for insurance before the Insured event.

6.3.2. The Insurer is not liable for the delays due to Insures unconscientious behaviour and/or insolvency.

6.4. Exclusions for Insurance from the Damage Incurred by the Lessee additional Coverage

6.4.1. No Liability will be subject of reimbursement, if it:

- is incurred by any person, other than the lessee declared in the policy, towards the Insured;

- implies the payment of amount, which exceeds the amount of possible reimbursement for the similar damage as per the general program and/or exceeds the liability provided for by the applicable civil legislation and/or which is charged to the lessee only based on any contract or agreement.

6.5. General exclusions (shall apply to each insurance coverage)

6.5.1. Insurance does not cover and respectively, the Insurer is released from the obligation to make the payment of an insurance reimbursement for the loss, destruction and damage:

6.5.1.1. If prior to the Insured event, the insured property is listed among the buildings being in emergency condition by the competent state authorities.

6.5.1.2. If by the moment of conclusion of the insurance contract, the territory of insurance is declared as a possible area of natural disaster by the competent state authorities.

6.5.1.3. Which is caused by Insured/Insureds, Insured's family members or the beneficiary's intentional act, negligence or violation of the applicable laws.

6.5.1.4. Which is caused by order, act, confiscation, requisition, expropriation or similar attempt from any governmental body.

6.5.1.5. Which is caused by any engineering or other defect of the construction, bad construction, material or workforce, inappropriate/incorrect design and/or projecting; Moth, bacteria, parasites, decaying, deterioration, erosion, corrosion, rusting, innate defect, extremes or change in temperature or humidity, fermentation, evaporation, change in flavor, loss of weight, natural heating or drying, using of faulty and/or use of defective materials, other natural features of the assets

6.5.1.6. Which is caused by major repair of the premises, except for the liability arisen against the third parties.

6.5.1.7. Which is caused by war, conquest, acts of foreign enemy, military actions (whether the war is declared or not), public disorders, civil war, revolution, rising, insurrection or military or illegal government, any act of terrorism or any manifestation of terrorism, any other force-majeure environment, mass riots, invasion direct or indirect hostilities, specific, emergency, military states declared by the government, armed conflicts, weapons employing atomic fission or fusion, lockouts, manifestations, civil commotions or any other force-majeure environment;

6.5.1.8. Which is caused by radiation and contamination, except for the contamination resulted by the Insured event, radioactive contamination by thermonuclear fuel or any nuclear wastes, radioactive, toxic, explosive or any nuclear substance containing gas.

6.5.1.9. Risks other than those specified in the relevant insurance program/product;

6.5.10. Non-presence of the insured assets on the direct destination territory of insured property;

6.5.1.11. Given insurance shall not cover any damages to electrical equipment or machinery where the damage is caused directly or indirectly by short circuit or alternating current; this exclusion does not apply to the damage of other property if it is damaged by fire caused by a short circuit;

6.5.1.12. Which is caused by dishonesty including acts of fraud, blackmail, extortion;

6.5.1.13. Which is caused activity, which as per the applicable laws of Georgia, entitles the Insurer to waive the insurance payment.

6.5.1.14. If the issuance of a policy was made based on incorrect information submitted by the Insured in particular, the Insured has incorrectly indicated in the insurance application the year of constructing the building or the final date of repair works in case of insurance without depreciation, in such case, besides that the payment will not be issued, moreover, the insurance contract/policy will be deemed annulled and the Insurer is obliged to return the premium received by the Insurer.

7. Refusal of Payment of Insurance reimbursement

7.1. Insured shall be released from the undertaken obligations, if the Insured:

7.1.1. Fails to perform the obligations assigned to the Insured by these terms and conditions;

7.1.2 Has not assigned to the Insurer the right of regress / have not submitted the documents which are required for delivering a claim of regress towards the person liable for the case.

7.1.3 Has not registered the right of ownership to the lost/replaced/destroyed property in Insurers name, except for the case when according to these terms and conditions, the insurance price of this property has been calculated as a property restoration value.

If the Insured by the moment of violating the obligations assigned to the Insured, the Insurer has already paid the insurance reimbursement, the Insured is obliged to return the received amount.

7.2. The Insurer is entitled to waive the insurance payment, if the following circumstances have taken place:

7.2.1. The Insured/member of Insured family has intentionally of with gross negligence committed an illegal act which is directly linked with the insurance case.

7.2.2. The Insured has violated the term of delivering the information about the increase of insured event/risk degree.

7.2.3. The information/documents submitted by The Insured for risk assessment/acknowledgement of insurance case/calculation of the amount of insurance reimbursement is incorrect or false.

7.2.4. The Insured refused to ensure the participation of Insurers representative in the survey-collection of the reasons resulting the insured event, volume of the incurred damage and other data relating the insured event.

7.2.5. The Insured has not provided any document required by the Insurer as per these terms and conditions;

7.2.6. Without Insurers written approval, The Insured has paid to the third parties the compensation or reimbursed the costs of layer's costs at court and/or beyond the court;

7.2.7. The Insured violated the term of two weeks established by the Insurer due to the failure to pay the premium;

7.2.8. Double insurance has taken place in relation to the interest insured by the Insurer, however no information about such double insurance was provided by The Insured in writing;

7.2.9. The Insured has not performed other obligations assigned to The Insured by the policy, insurance terms and conditions and legislation of Georgia.

7.3. The Insurer will not indemnify those Insured Events which will occur before the first or lump sum payment of the premium by the Insured and in case of long-term Insurance Policy, until the payment of the first premium as well as of the first or one-time insurance premium of each consecutive year.

7.2.4. If it is confirmed that the property was insured for increased amount for the purpose of gaining an illegal benefit (groundless enrichment), the Insurer will be released from all the undertaken liabilities.

7.2.5. In case of failure in informing us about the change in risk degree on time, the Insurer shall reserve the right to refuse the payment of insurance reimbursement.

7.2.6. In case of indemnification or any other costs incurred to you in relation to the third persons (including at court and beyond, claim statement, judgment by default) without a written agreement with us, we will be released from the liability to reimburse the paid amount.

The Subject of the insurance agreement shall be insurance of the property except for:

• Items installed outside of the premises (towers, antennas, cables)*; transmission and distribution lines;

- Animals, poultry and insects; plants, plantation and graining cultures;
- Food products;
- Explosive items and substances; gun, military material, handicraft tools and equipment's;
- transport means subject to obligatory registration as per the applicable laws;
- Information carriers, computer and technical information means in the other types of similar systems (magnetic block, magnetic tape, information block, etc.);
- manuscript, photos, negatives, schemes, drawings and/or any other documents, accounting and business books and/or records, models, layouts, samples and forms;
- products made of golden, silver or other precious metal; precious, semiprecious and product stones; precious stones without processing and mounting; precious and rare metal wires, bullion, send or native form; furs, pictures, sculptures and other pieces of art, marks, coins, monetary signs, cheques and other types of collections, antiques; cash in foreign or local currency, cheques, bonds, vouchers and stocks, post marks, mail and monetary parcels, travel tickets, food vouchers, sim cards, mobile phone cards, gift vouchers, shares, other securities an bank notes*;
- Household equipment, furniture, mobile el. equipment and other household items above USD 300, if not detailed determined in the application (except for the furniture and household technique insured within „New Flat").

(*additional written agreement between the Insurer and Insured required).

Given offer represents the non-exhaustive information on the terms and conditions of insurance and this document has not identical legal force as the insurance contract
Introducing this offer to You and explanations about our offer from Our side does not arise legal consequences and requirements between You and Us