

# Insurance Terms of Property and Related Interests of Natural Persons

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**These terms are in force together with Insurance Policy issued by us. Without the Insurance Policy, these terms do not have legal force. By filling the insurance application, you confirm that you understand these terms and agree with them.**

## **1. The Subject of Insurance**

1.1. The subject of insurance provided for in these terms is:

1.1.1. Property - The insurance from the side of Insurer of interior facing and internal household engineering fittings and content of the property legally owned by the Insured from the following risks: fire, strike of lightning, explosion, falling off an aircraft excluding exceptions to the conditions of insurance.

1.1.2. In order to conclude the insurance agreement, it is necessary that you fill in an insurance application on our web-page and agree the given Terms. It is necessary that you provide an accurate address of the property to be insured together with other necessary information. Based on the application, the Policy will be prepared and will be handed to you.

1.1.3. On the basis of application and these terms, individual Insurance Policy is issued. These application and terms fully apply to this Policy.

**Please note! If you shall not be able to provide the insurance interest towards the subject of insurance once the Insured event occur, we refuse to pay the insurance reimbursement.**

**Please note that in the case of essentially inaccurate references to the property in the application (when it is impossible to accurately identify the property) we refuse to issue an insurance reimbursement.**

**Please note that if there are several insurance policies in relation to property, only one policy will affect.**

## **2. Definition of Terms**

- **The Insured** – a person who enters into Insurance Agreement in person and who is obliged to pay the relevant Insurance Premium;

- **The policyholder** – the same as Insured unless otherwise provided by these terms;

- **Beneficiary** – a person indicated in the application and the Insurance Policy by the Insured that is entitled to receive the insurance reimbursement based on the insurance agreement and the legislation of Georgia;

- **The insurance Agreement** – Document that regulates the rights and liabilities arising between the Insurer and the Insured and which is composed of application, Insurance Policy and present terms;

- **Insurance Policy** (Policy/certificate/together with the annexes) - a written document issued by the Insurer and signed by the Insurer and Insured certifying the conclusion of insurance agreement as per the present terms, it describes the major conditions and is handed to Insured. In addition, if the data in the Policy and the provisions contained in these terms contradict each other, preference is given to the Policy; only signed insurance policy certifies the conclusion of insurance agreement.

- **Insurance period** - the period of time specified in the Insurance Policy, during which the insurance is valid and during which the insurance events occurred are subject to reimbursement. In addition, insurance enters into force from 24:00 am on the first day indicated in the Policy and is valid till 24 hours on the last day indicated the Policy, unless otherwise provided in the insurance policy itself;

- **Insurance Premium** – the amount that the Insured shall pay for the purchase of insurance as it is being issued through a once-only payment or at a specified periodicity as indicated in the Policy;

- **Insurance Limit** - The amount of money prescribed by the Insurance Policy, which is the maximum limit of insurance reimbursement that you/beneficiary can receive as a result of the Insured Event from us during the Insurance period.

- **Insured event** - an unexpected event caused by insurance risks during the insurance period that caused damage or destruction of insured property, which results the liability of the Insurer to compensate the losses according to these terms and conditions;

- **The Insurance risk** – the risk that contains the signs of the possibility of its occurrence and for which the insurance is made;

- **Increased risk** – Not taking/not considering the usual precaution measures from the side of the Insured towards the insured property;

- **Insurance reimbursement** - the amount that will be issued by the Insurer to the insured / beneficiary once the insurance event occurs in the manner and conditions envisaged by these terms;
- **Once-only Limit** - implies the limit of amount provided in the insurance policy (if any) which is considered fully exhausted if used once (regardless of whether or not the amount is fully exhausted or not);
- **Deductible - (non-refundable minimum)** - the amount of money not paid by the Insurer and which is deducted from the amount of reimbursable loss;
- **Depreciation** - natural impairment of the insured property over time;
- **Insurance territory** - Property will be insured only at the address indicated in the policy as the address of the insurance object.
- **Insured property** - property indicated in the policy and located at the address indicated in the policy box "The address of the insured object".
- **The family member** - Spouse, child (children), relative or other natural person (other than the tenant) who is a permanent resident of the house / apartment covered by the insurance. A person who lives in an insured home / apartment in exchange for financial compensation or other interest is not considered to be a family member.
- **Interior facing** - All types of plastering and painting as well as sculpting works; Wall facing with any types of wood, plastics or similar materials, wallpaper, floor and ceiling cover, windows and doors, internal partitions, interior decorative elements and internal stairs (except the monolithically mounted stairs)
- **Internal household engineering fittings** - Sanitary-technical and heating equipment, water boilers, water supply systems, gasification, electric wiring, sewage system, electricity counters, television and telephone cables.
- **Content** - movable furniture and technique, other household items.
- **Fire** - for the purposes of this insurance, the fire implies the fire having the possibility to spread itself beyond the place allocated for making up the fire and directly damages/destroys the Insured property;
- **Strike of lightning** - a natural giant electronic discharge in the atmosphere accompanied by thunder
- **Explosion** - An explosion caused by unexpected increase in gas pressure in the system or by gas leakage from the system of domestic engineering equipment.
- **Falling of an aircraft** - the falling off an aircraft, which causes damage or destruction of the insured property.
- **Assisting in the right to exercise subrogation** - handing your right of claim to the third party to us and to assist in the concluding of all the necessary documents and implementing relevant procedures.
- **Earned insurance premiums** - amount of the premium pro rata the time period from the beginning of insurance period up to the specific date within the insurance period
- **Unearned insurance premium** - amount of the premium pro rata the time period left before the expiration of the insurance period by the specific date within the insurance period;
- **Insurance Application (Application)** - the questionnaire to be filled in by You at Our webpage, comprising information necessary for insurance, Application shall be filled electronically prior issuance of the Insurance Policy;
- **We, our** - insurer / JSC "Insurance Company Aldagi";
- **You, your** - Insured/policyholder.
- **Terms** - Terms and Conditions, placed on the relevant web-page at the moment of purchasing of insurance, which are agreed/accepted by You by purchasing the insurance.

*The list of terms referred to in Article 2 is not exhaustive and in the present terms and conditions there may be a separate explanation of other terms, in which case the advantage is given to more specific and full explanation;*

In addition, the terms used in these conditions have usual meanings. Moreover, if the understanding of the terms used in the conditions is quite variable, the advantages between different interpretations are given to those of legislative definitions, if the legislation of Georgia considers such terms.

### **3. The conditions of Property Insurance**

#### **3.1. The subjects of Insurance**

3.1.1. The subject of the insurance is internal facing and domestic household engineering equipment and content of the immovable property in the individual ownership / legal ownership of the insured from the insurance risks indicated in the policy;  
**In addition, the following cannot be the subject to insurance and is not covered by insurance:**

- Constructive elements of buildings / structures, objects mounted on the outer side (masts, antennas, wires); Transmission and distribution lines, as well as external domestic engineering equipment (sanitary-technical and heating equipment, water boilers, water system, gasification system, electric power, sewerage system, electronic counters, television and telephone cables);

- Animals, birds and insects; Plants, vegetation and crops;
- Food products;
- Explosive items and substances; Weapons, ammunition, fishing tools and equipment;
- Transport means subject to compulsory registration in accordance with the requirements of the applicable legislation;
- Carriers of Information carriers, technical means of information (magnetic block, magnetic lens, information block, etc.) in the computers and in other similar systems;
- Manuscripts, photographs, negatives, charts, drawings and / or any other type of documentation, accounting and business books and / or records, models, layouts, samples and forms;
- Articles made of gold, silver or other precious metals; Precious, semi-precious and modelled stones; Precious stones without processing and embossing; wires, bars, sand or unalloyed precious and rare metals; fur, photographs, sculptures and other works of art, stamps, coins, cash marks, bonds, and other collections, antiques; Cash in local or foreign currency, checks, bonds, savings vouchers and obligations, postage stamps, postal marks, postage and monetary postages, travel tickets, food vouchers, sim cards, mobile phone cards, gift vouchers, shares, other securities and bank cards;
- Any other property that is not an insurance subject in accordance with these terms.

### **3.2. Insurance Limit and deductible**

- 3.2.1. The insurance limit is the maximum amount of money that is defined in the insurance policy, within which we pay you insurance reimbursement;
- 3.2.2. The sub-limits of our liability (in case of their existence) are defined within the insurance limits in the policy. The latter is the marginal amount of insurance payable for the relevant risk;
- 3.2.3. After reimbursement of the insured event/accident, the insurance limit / sub-limit will be reduced by the amount of reimbursement;
- 3.2.4. The deductible is determined by the insurance policy, which is the amount that is deducted from the insurance reimbursement for each insurance event and on which we are not responsible.

### **3.3. Calculation of insurance reimbursement**

- 3.3.1. In case of damage / destruction of property repairs, reimbursement will be calculated within the insurance limits, depending on the restorative value of damaged / destroyed property, taking into consideration of the deductible and depreciation;

Monthly depreciation is calculated in proportion to annual depreciation and makes up 7% per month. In addition, the depreciation for the incomplete month is calculated in the same way as for a full month.

- 3.3.2. In case of damage of property repairs, the costs of repair/remediation / removal required for the recovery of the damaged property are subject to reimbursement within the insurance limits.

- 3.3.3. Reimbursable repair / restorative expenses include:

- a) Expenses on repair materials and spare parts;
- b) Expenses on repair labor;
- c) Expenses that are needed for transportation of materials to the destination;
- d) Other expenses incurred to recover directly the pre insurance conditions.

- 3.3.4. Recovery costs are calculated based on the prices at the moment of insurance event/accident, taking into consideration the deductible and depreciation.

- 3.3.5. If the restoration of property is impossible as per the characteristics at the moment of the accident due to any reasons or it is economically inexpedient, some characteristics of the property to be restored may change by mutual agreement.

3.3.6. We will reimburse the expenses that may be required to carry out the pre-renovation work if such works are part of the final repair, are agreed with us and if this does not increase the total cost of the repair.

3.3.7. All expenses related to the restoration works must be paid in a timely and reasonable manner.

We will not be responsible for additional damages caused by not timely eliminated primary damages.

Moreover, you should not restore / repair damaged / destroyed property without our consent and you should ensure that you maintain the situation on the spot as far as possible before our representative arrives there. The breach of this obligation from your side is the basis for the insurer to refuse the insurance reimbursement.

3.3.7. In case of damages / destruction of the content, compensation will be calculated within the insurance limits, according to the replacement value of damaged / destroyed content, taking into consideration of the franchise and depreciation;

**Dubble Insurance** - if the insured's property will appear to be insured with several insurers (dual insurance) at the same time, you are obliged to promptly provide this information to us and provide the identification of other insurers and the amount of their liabilities in the relevant written notification. In such case, we, the insurers, will take part in reimbursement of the lump sum as joint debtors proportionally to the amount of liability, but you do not have the right to claim more reimbursement than the actual damage;

In case of reimbursement of the total value of the property, you are obliged to grant us with the property rights for remainders and to perform all the activities provided for this purpose by the applicable legislation of Georgia. Besides, if it is impossible to grant the property rights for the remainders (which is not related to the violation of your obligations under the terms of insurance or the illegal actions) and / or there is a legal restrictions / prohibition over the remainders and / or registered equitable lien and / or other objective circumstances are present, which make it impossible the property and ownership right to be granted to us, we are authorized to deduct the remaining market value of the modified / destroyed remainders from the insurance reimbursement to be paid.

If it was found out that the destruction or damage to the property was caused by the actions of a third person, we have the right to use the rule of subrogation and demand the compensation of the paid amount from the guilty party.

If it is impossible to use the right of subrogation to your fault, we have the right to refuse compensation or demand from you to pay back the already paid insurance reimbursement.

**The following is not the subject of reimbursement:**

- A) Additional expenses incurred on improvement of damaged facilities or changes of its characteristics;
- B) Expenses incurred on preventive maintenance and on services;
- C) Costs which are necessary to be incurred independently from the insured event;
- D) Other costs that exceed the necessities.

**3.4. Your Obligations**

Once the insurance event occurs, you are obliged to:

3.4.1. Immediately inform the relevant competent authority (patrol police, fire service, emergency situations management service, etc.) as well as inform us (our 24-hour call center).

3.4.2. Apply all possible reasonable measures for termination of further losses, to reduce its amount or to save the damaged property. When applying such measures, you must act in accordance with our oral and / or written instructions if such is issued;

3.4.3. Ensure that you maintain the situation on the spot as far as possible before our representative arrives there.

3.4.4. Take all necessary measures to ensure our request for subrogation towards the third parties who are responsible for the damage and loss during the insured event.

3.4.5. Support us to investigate the causes, the circumstances and the amount of damage of the insured event.

3.4.6. No later than 1 week from the moment of insured event provide us with:

- A) Written notification about insured event;
- B) A written application with reference to the list of damaged property and the approximate values of its restorative / replacement costs.
- C) The original insurance policy;
- D) Evidence of the circumstances of the case issued by competent state authorities related to the insurance case: firefighting, hydro meteorological center, patrol police, MIA, prosecutor's office or other law enforcement agencies (according to the nature of the accident within their competence);
- E) Document confirming ownership right or other property interest (Extract from Public Register, Purchase Agreement, Lease Agreement, etc.);
- F) Documentation confirming the amount of damage;
- G) Your bank details.

We reserve the right to request additional documents if necessary, if it is impossible to determine important circumstances for insurance and / or accurate calculation of the amount of damage.

#### **4. General Conditions**

##### **4.1. Exclusions**

**4.1.1. Insurance does not apply and accordingly we are exempt from the obligation to pay insurance reimbursement in the following cases:**

- (A) The damage is caused by your, the policyholders's or the beneficiary's, deliberate action, gross negligence or violation of law.
- B) The damage is caused by war, conquest, by the actions of the foreign enemy (whether war is declared or not), civil disorder, civil war, rebellion, revolution, revolt or military or unlawful power, any act of terrorism, by the influence of other insurmountable power excluding the force-majeure risks;
- C) In case of ionizing radiation, nuclear radiation or pollution from other harmful wastes has occurred; if modification of natural conditions of gasses containing radioactive, explosive, nuclear substances has occurred;
- D) Damage arising from any other contract, agreement. In the case of existence of other insurance contracts where the same interest is insured, the provisions defined for double insurance are acting, which means, if the insured's interest provided in this section of the terms will be insured (dual insurance) with several insurers at the same time, you are obliged to promptly provide this information to us and provide the identification of other insurers and the amount of their liabilities in the relevant written notification. In such case, we, the insurers, will take part in reimbursement of the lump sum as joint debtors proportionally to the amount of liability, but the insured does not have the right to claim more reimbursement than the actual damage;
- E) If there is a circumstance that, according to the applicable legislation of Georgia, grants us the right to refuse compensation.

**4.1.2. Insurance does not apply and, therefore, we are exempt from the obligation to pay insurance compensation in the following cases:**

- A) Damage or destruction caused by pressure waves produced by supersonic or hypersonic aircraft or any other flying object.
- B) Loss or damage of electronic appliances or electrical equipment caused by strike of lightning.
- C) Damage caused by flame, which is not due to the fire.
- D) Damage or loss of insured property caused by sudden fermentation or heating or through any thermal process;
- E) Damages caused to furniture, household appliances, engineering equipment and other household items left in the open air or already damaged at the moment of damage occurrence and/or located in the disbanded building including the damages caused by open doors or windows, as well as roof windows of a building.

- F) Any damage inflicted on the insured's engineering equipment outside, or inflicted to the external facing.
- G) Damage caused by incorrect use of drainage systems.
- H) Damage caused by artificial lowering or motion of the ground as a result of land works, erosion of river bank and adjoining territories;
- I) Damage that is caused by the destruction, structural changes or repairs of any property; damage that is caused by the construction work or excavation of the foundation of any property.
- J) Loss or damage that has occurred in the process of repairing, abolishing, extending or transmitting water pipes, channels, tanks or equipment.
- K) If at the moment of concluding the insurance agreement, the area of insurance was recognized as a possible natural disaster zone by the competent state bodies.
- L) Caused by the order, decree, action, confiscation, requisition, expropriation or attempts of any Government authority
- M) Caused by engineering or other defects of the construction, incorrect design, by poorly performed work or by using poor quality materials.
- N) Caused by the capital repair of buildings / structures.
- O) Damage caused by radiation or pollution, except for contamination caused by insured event;
- P) if the content is get out from the insured property;
- Q) Damage caused by any other risks other than risks indicated in the present terms and conditions.

**4.1.3. We are released to fulfill the undertaken liabilities if you:**

- A) Have not transferred us the right of subrogation/ did not provide the documents required to claim the subrogation from the person responsible for the event.
- B) If the you / your family member intentionally committed an unlawful act which is directly related to the occurrence of an insured event.

**4.1.4. We are entitled to refuse to pay the insurance compensation if the following circumstances have occurred:**

- A) You did not fulfill you obligations under the insurance terms;
- B) Did not provide information about the insurance accident (notification) in the terms agreed upon in the terms of insurance and our interests have been substantially affected by the failure to provide the notification;
- C) The information / documents required for insurance implementation / recognition of insured event / for calculating the amount of insurance payments by the insurer are deliberately inaccurate or false;
- D) There are circumstances that increase the probability of the risks , are known to you, to the policyholder, to the beneficiary, did not immediately notified us or provided us with false or incomplete information / documents about that;
- E) You / beneficiary refused to provide our representative's participation in the inquiry of the causes of the event, the amount of damage inflicted and other data related to the insured event;
- F) You did not submit any of the documents requested by us under the terms of the insurance;
- G) You have grossly violated the term of providing information on the risks of insured event / on the increased risk;
- H) You have exceeded the two week period of non-payment of the premium as set by us;
- I) Dubble insurance has been provided for the interest insured by us, but you did not provide us with the written notification about such dual insurance.
- J) You failed to fulfill other obligations imposed under the insurance terms.

K) You have not applied available, reasonable measures to minimize risks / losses, which has become the determinant factor of an insurance case and its damage or the amount incurred by the event.

The refusal for the insurance reimbursement will be presented to you in writing where the reasons for refusal the insurance compensation will be provided.

If there are events that are exceptions, burden of evidence stays with you.

#### **4.2. The rights and obligations of the Parties**

##### **You are obliged to:**

- 4.2.1. Ensure payment of insurance premium (premium) in terms and conditions established by the Insurance Agreement;
- 4.2.2. Ensure providing us with the necessary and accurate information to conclude the agreement.
- 4.2.3. To introduce the policyholder / beneficiary with the terms of insurance and those obligations undertaken as per this agreement;
- 4.2.4. Duly and implacably perform the duties and responsibilities of this Agreement.
- 4.2.5. In case of loss of policy during the insurance period, you have to submit a written application and pay the corresponding amount of money based on which we will issue a duplicate of the policy (in the appropriate seal, which confirms that the policy is duplicated). The identification details of the duplicate of the policy will remain unchanged, and the lost policy is deemed invalid and the requirements presented upon it are not subject to reimbursement.
- 4.2.6. Promptly inform us about the change of address / location, otherwise any correspondence / notification sent by us to the address indicated by you in the application will be deemed received. A similar rule applies even the address specified by you is incorrect or inaccurate.

##### **You are entitled to:**

- 4.2.7. Demand from us to implement the insurance coverage in accordance with the terms and conditions of this insurance policy;
- 4.2.8. In case of insured event ask for payment of insurance reimbursement in accordance with the terms defined by the Insurance Agreement;
- 4.2.9. Request the proper fulfillment of the obligations from our side;
- 4.2.10. In accordance with the applicable legislation appeal against our decision, which you might consider unfair;
- 4.2.11. Terminate the insurance agreement only with full compliance with the requirements of the same agreement.

##### **We are entitled:**

- 4.2.12. To demand the proper and consistent fulfillment of the obligations undertaken from you/beneficiary;
- 4.2.13. To demand from you to pay the insurance premium as per the terms and conditions established by the Insurance Agreement;
- 4.2.14. To demand from you to provide the necessary information for concluding the insurance agreement;
- 4.2.15. To not reimburse those cases which are not specified in these conditions and / or are found in the list of exclusions;
- 4.2.16. To refuse to pay insurance reimbursements if you / beneficiary fails to fulfill the obligations under the insurance agreement or in case of improper performance;

##### **We are obliged to:**

- 4.2.17. To implement the insurance in accordance with the conditions of the present Insurance Agreement;
- 4.2.18. To submit you the insurance policy as the proof of the concluded insurance;
- 4.2.19. Timely and fully pay the insurance reimbursement in accordance with the conditions under the insurance agreement after the signature by the Parties of the Insurance Act;

### **4.3. Issuing insurance reimbursement**

4.3.1. We will pay the insurance reimbursement within 30 (thirty) days from the date of signature by the Parties of the Insurance Act;

4.3.2. We reserve the right to delay making the decision on reimbursement of insurance case if a criminal case has been instituted against your (beneficiary) or against the authorized representative on the fact of insurance risk.

4.3.3. Calculation of the amount of insurance reimbursement is regulated according to a specific case, on the basis of the examination of damaged / destroyed property and documents issued by the competent authorities.

4.3.4. Maximum amount of insurance reimbursement is limited by insurance limit, regardless of the number of insured events and the amount of losses.

4.3.5. When issuing the insurance reimbursement the deductible specified in the insurance policy (if applicable) will be deducted from it.

4.3.6. Once paying the insurance premium in installments and in case of debt, insurance reimbursement will be reduced in the amount of unpaid premium.

4.3.7. If you/beneficiary have been reimbursed for the loss by the third party/parties, we will reimburse only the difference between the amount paid by the third party and the amount we had to pay as per the insurance agreement. You should immediately report the receipt of this amount.

4.3.8. The insurance act signed by the parties constitutes the basis for issuing insurance reimbursement. We are not obliged to pay the insurance reimbursement before you/beneficiary signs up the agreement.

4.3.9. If we cannot agree on the amount of final loss or on the cause of the accident, the assessment will be provided by an independent expert. In addition, the issue of regulating the cost of assessment is determined as follows:

(A) If the assessment (examination) is conducted by our wish and initiative, we cover the expenses of such assessment (expertise);

(B) If the assessment (examination) is conducted by your wish and initiative, you cover the expenses of such assessment (expertise);

(C) If the assessment (examination) is conducted by our mutual wish and initiative, we share the expenses of such assessment (expertise) equally;

### **4.4. Insurance policy / Validity period of insurance policy**

4.4.1. Issuing insurance policy signed by you and us confirms that the insurance agreement is concluded. If we only have a policy we are obliged to pay the insurance reimbursement in case of an insurance accident in exchange for the insurance premium.

4.4.2. In case of any changes in terms of covering the insurance during the insurance period, such changes shall be reflected in the policy or in annexes, and in case of non-compliance in the policy and insurance conditions the priority will be given to the policy.

4.4.3. Unless otherwise provided in the policy, the policy is issued for a one year period;

4.4.4. Insurance enters into force from 24:00 on the first day of the date indicated in the insurance policy and applies to the last day of the term provided by the policy, and we are free from any responsibilities before any first or once-only installment of the insurance premium.

### **4.5. Insurance premium and terms of payment**

4.5.1. The insurance premium is an insurance fee that you have to pay in accordance with these Terms and Conditions and in terms, as prescribed and provided by the insurance policy;

4.5.2. Payment of insurance premium is made once-only or at a specified timeframe; periodicity, terms and other essential conditions for payment of insurance premiums are determined by the policy;

4.5.3. In case of failure to pay the premium in the timeframe fixed by the insurance policy, we will determine the extra two-week payment period. If after the expiration of this two-week period the insurance event will occur and the premium will not be paid, we are free from the obligation to reimburse.

4.5.4. Failure to pay premium in time allows us to inform you a month before termination of the agreement and after the ineffective expiry of this term, to terminate the insurance agreement.

4.5.5. If you do not have fully covered the insurance premium at the moment of reimbursement (despite the terms of payment agreed upon by the insurance policy), we are authorized to deduct the unpaid amount of insurance premium from the amount of reimbursement.

#### **4.6. Obligation to provide information on change of risk quality**

4.6.1. You are obliged to report on all the circumstances you may be aware of that may influence the insurance risk assessment when concluding the insurance.

4.6.2. We have the right before issuing the insurance policy, and if necessary, after the issuance of the policy, ask for any document through which the probability of the insurance accident is determined;

4.6.3. In case we are not informed about the change in risk quality in a timely manner, we reserve the right to reject the insurance reimbursement.

4.6.4. In case of the alienation of insured property / transport, it is necessary to immediately inform us about the new owner and their contact details.

4.6.5. You are obliged to promptly inform us in writing about any changes in the circumstances reported to us or if you have discovered previously unknown or new circumstances in case they increase the risks of insurance incidents.

4.6.6. The obligation to provide information to us is valid throughout the entire insurance period and is not limited to the information necessary for assessing the risk quality, but also includes the information about the amount of reimbursement and / or the origin of our liabilities.

#### **4.7. Change of Terms of Insurance**

4.7.1. In case of increasing the insurance risk during the validity of insurance policy we can request changing the insurance conditions or paying additional insurance premium. Such a decision made by us is compulsory for you.

4.7.2. Your refusal to change the terms of insurance or paying additional premium gives us the right to terminate the insurance policy from the moment such changes occur and stop the insurance activities one-month period in advance. Keeping the time is not required if the increase in risks are caused by your intentional or gross negligence.

4.7.3. In case of change of circumstances affecting the essential terms of the insurance agreement, including the risk quality adjustment, the amount of insurance, the validity of the policy or the amount of insurance premium you will be handed the signed and stamped policy.

#### **4.8. Insurance for the benefit of third parties**

4.8.1. You can conclude an insurance agreement in favor of a third party, i.e. assign a beneficiary.

4.8.2. Before the insured event, you can change the name of a beneficiary mentioned in the agreement with another person, which you will inform us in writing. The replacement of a beneficiary must be concluded with a written agreement.

4.8.3. Concluding the insurance agreement on behalf of a beneficiary will free you from the fulfillment of the obligations under the agreement unless otherwise provided by the policy.

4.8.4. We can demand from the beneficiary to fulfill the obligations provided by the insurance agreement.

4.8.5. We are only obliged to reimburse on the benefit of the beneficiary if the beneficiary agrees with the insurance agreement.

#### **4.9. Rule of Subrogation**

4.9.1. The insurer, who paid the insurance reimbursement, shall be entitled to a regressive claim right against the person responsible for the damage inflicted within the full amount of reimbursement paid. You are obliged to provide us with all original documents (including the sealed and signed by the authorized person and issued by the relevant authorized state bodies) confirming the insurance accident, where the following should be indicated: place and date of accident, the identity of each

participant, the person responsible for the accident (the persons) and the other circumstances that are important to the case), which are required for the implementation of this request.

4.9.2. If you refuse to claim against the person responsible for the damage or you refuse the right which provide the implementation of demands against this person, or you refuse us to grant the documents necessary to make the regression request, frees us from paying the insurance reimbursement and if such reimbursement is already paid, gives us the right to claim this reimbursement back.

#### **4.10. Force-Major**

4.10.1. The Parties shall be temporarily relieved from the fulfillment of the obligations undertaken by this Agreement, if the failure to comply with the above-mentioned obligations and / or improper performance was due to the overwhelming force of force-majeure circumstances.

4.10.2. In case of force-majeure situation, our obligations are terminated only temporarily and are fully updated upon completion or elimination of these circumstances.

4.10.3. The start and termination of Force Majeure circumstances must be confirmed by the relevant competent authority.

#### **4.11. Termination of policy**

4.11.1. The policy will be terminated prior to the expiration of its validity without additional terms and prior notification, in the following circumstances:

4.11.2. On the expiry of the amount specified in the policy/ the expiry of the policy;

4.11.3. If the possibility of occurrence of insured event does not exist and the insurance risk disappears in any circumstances after the insurance enters into force, other than the insurance event;

4.11.4. If the increase in the insurance risk or the action which resulted in damage, has been caused by your intentional or gross negligence.

4.11.5. In other cases established by the Georgian legislation.

4.11.6. The validity of policy may be terminated based on a one-month period of prior written notification of the following circumstances:

A) In case of failure to pay the insurance premium within the timeframe provided by the policy,

B) In case if the insurance risk is increased and you refuse to pay additional premium/ refuse to change the terms of insurance.

C) When the insured property / vehicle is alienated.

D) In other cases established by the Georgian legislation.

4.11.7. You are obliged to cover the earned insurance premium in any case, in addition if we reimburse the insurance event, the unearned insurance premium is not a subject of return, and the unearned insurance premium will be fully covered in case when the insurance premium is paid in installments.

4.11.8. To avoid any doubts, in case of termination of the insurance, the following condition is applicable: The earned insurance premium paid by you is not subject to return from our side.

#### **4.12. Discussion of disputes**

4.12.1. Any dispute arising between the Parties shall be resolved by mutual agreement of the parties, in case of disagreement - with the procedure established by the legislation of Georgia.

4.12.2. In case of disputes / disagreements regarding the fulfillment of this Agreement, the Parties shall have the right to appeal to the Non-profit legal entity Association of Insurance Companies (I/C 204878481) "Insurance Mediation" through the telephone number: (+995 32) 2555155, e-mail address: [mediacia@insurance.org.ge](mailto:mediacia@insurance.org.ge). In case the parties fail to resolve the case through mediation, the Parties address the Court as per the paragraph 4.12.1.

4.12.3. Each Party is obliged to reimburse the other party for the damage in accordance with the procedure established by the legislation of Georgia.

#### **4.13. Providing information**

All the notifications necessary to enforce an insurance agreement shall be submitted to the parties in writing or sent by fax or mail according to the location / requisites of the parties. Upon the agreement of the parties, the insured may be notified through short text message or email. In case of the insured, his requisites are indicated in the application. Any information / notification sent by the insurer to the insured will be deemed received by the insured in case the relevant information about the change of address / location or other requisites is not immediately provided to the insurer.

#### **4.14. Confidentiality**

The information we, you and us, provide to each other (whether oral or written) and is of commercial or any other value, shall be deemed confidential and shall not be transferred to third parties without prior agreement, unless it is related to the fulfillment of obligations under this Agreement or to the requirements of the applicable legislation of Georgia. In spite of the above mentioned, by signing the application and without any additional agreement you grant us an unconditional right, transfer any information about you to JSC "Creditinfo Georgia" (Registered by Mtatsminda-Krtsanisi District Court on February 14, 2005 # 06 / 5-51, IC # 204470740), which results in your registration at "Creditinfo Georgia" database.