

**INSURANCE TERMS AND CONDITIONS
FOR PROPERTY OWNED BY NATURAL PERSONS AND INTERESTS RELATED THERETO
#R/HVP-002/17-1**

Land slip - rapid downward movement due to the weight of the mass of hills and rocks

Land slide – big mass of soil, rocks or other substance falling from mountain with speed;

Snowslide – rapid and unexpected movement of snow from mountain;

Hail – atmospheric sediment, containing the different size of spare particles and parts of ice

Earthquake – registered earthquake shocks directly affecting the insured property and/or fire, which directly or indirectly resulted by the earthquake shocks.

Theft by entry – hidden seizure of insured property or attempt thereof for the purpose of unlawful misappropriation, via unlawful entry into the building, except for the burglary made by the person who was on the insured territory with the permit/support of yours or any member of your family or a person residing in your house, or temporarily held your property as per your permission.

Robbery, plunder – offences, provided under the Criminal Code of Georgia, except for the robbery, plunder committed by the person who was on the insured territory with the permit/support of yours or any member of your family or a person residing in your house, or temporarily held your property as per your permission.

Vandalism – for the purposes of this insurance, vandalism is an intentional damage or destruction of the insured property by the person who appeared on the insured territory without your or any member of your family permit/consent.

Earned insurance premium – 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;

We, Our – Insurer, "Insurance Company Aldagi";

You, Yours – Insured.

Party/Parties – Insured and Insurer

Terms and Conditions - 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. In case of controversy between the Terms and Conditions and present Insurance Terms, the terms of present Insurance Terms shall prevail.

List of the terms under this Clause is not all inclusive and there might be separate explanation of other terms in these conditions, in which case the clearer and more complete interpretation will prevail;

The terms used in these terms and conditions have an ordinary meaning. In addition, if understanding of the terms used in the conditions is not homogeneous, among the different interpretations, the meaning defined by laws shall prevail, if the laws applicable in Georgia provides such.

Part I General Coverage

1.1 Subjects of Insurance

Construction elements and internal facing, household engineering equipment, furniture, household devices, mobile el.equipment and other household items owned by you as specified in the policy and described in the application, 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 equipments;
- 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 us required).

1.2 General Types of Insurance

You will be insured as per the general program specified under the policy, the title of which is marked/indicated in the insurance policy.

We offer the following types of property insurance program:

1.2.1. New flat

- 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

1.2.2. My Flat

- 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

1.2.3. 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

1.2.4. 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

1.3. Exceptions of Main Coverage

Insurance does not cover and respectively, we are released from the obligation of payment of the insurance reimbursement in the below cases:

- 1.3.1. damage or destruction resulted by pressure waves arisen due to plane or other aircraft moving by the sonic or supersonic speeds.
- 1.3.2. damage or loss of electronic or electric device, resulted by leaving such devices connected with antenna of the device during the Lightning stroke
- 1.3.3. damage resulted by flames, not caused due to the fire.
- 1.3.4. damage or loss resulted by a sudden fermentation or heating of insured property itself, or by passing any thermal process by the insured property.
- 1.3.5. 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.
- 1.3.6. 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.
- 1.3.7. damage caused by improper use of drainage systems.
- 1.3.8. 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.
- 1.3.9. any damage due to leaving the damaged property without supervision.
- 1.3.10. damage which is resulted by artificial lowering or movement of soil after land works, erosion of the river bank and adjacent territory.
- 1.3.11. damage resulted by destruction of any property, change or repair of the structure, as well as construction works of the foundation or digging out.
- 1.3.12. damage incurred to gardens, parking lots, roads, pavements, gates and fences, except for the cases when this caused damage to the insured premises.
- 1.3.13. damage or loss having place within the process of repair, cancelation, prolongation or replacement of water pipes, reservoirs or equipments.
- 1.3.14. 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.

1.4 Determination of Insurance Value

1.4.1 The property should be insured by the moment of filling the application according to its real value, calculated as follows:
- for constructive elements covered by the program "My Garden" / in case of house insurance, according to the "Old City" program – house restoration value 2% per annum in consideration of depreciation coefficient, which is used from the date of final major repair works;

- Constructive elements „My Flat“/„New Flat“/within the program of flat insurance "Old City" – market value of the property directly before Insured Event occurrence;
- Furniture – cost of the purchase of a new analogue in consideration of 10% depreciation coefficient per annum, which is used after the final restoration is completed;
- Household equipment – price of purchasing a new analogue 15% depreciation coefficient per annum;
- Internal and external facing – restoration fee 7% depreciation coefficient per annum;
- mobile el.devices – 20% depreciation coefficient per annum;
- other household items – cost of purchase of a new analogue.

Depreciation will not be considered, if in the graph of the insurance policy "Special Conditions" is indicated/ marked/ recording - „without deprecation“;

1.4.2. Monthly depreciation is calculated as per annual depreciation – proportionally, and it is calculated for the incomplete month the same way as the complete month.

1.5. Calculation the Insurance Reimbursement as per Below Model:

1.5.1. In case of destruction/loss of the property – as per the insurance value of the lost/destroyed property.

1.5.2. In case of damage, costs of repair/rehabilitation/cleaning required for the renewal of damaged property, but no more than the insurance value of the damaged property.

1.5.3. While making an insurance payment in case of coverage of the "New Flat", in relation to the repair works, furniture, household technique, mobile el. equipment, made/purchased within no more than 3 years prior to the commencement date of insurance, depreciation shall not be taken into consideration. If more than 3 years have expired from procurement until the commencement of insurance, the coefficient of depreciation is used for the duration of the whole period, except for the case, if in the graph of the insurance policy "Special Conditions" is indicated/ marked/ recording - „without deprecation“;

1.5.4. Reimbursable Repair/Restoration Costs include:

- a) costs for repair materials and spare parts;
- b) costs for reimbursement of repair works;
- c) costs required for delivering the materials to the determined place;
- d) other costs, rendered directly for restoring the situation existing before the Insured Event.

1.5.5. Costs not subject to reimbursement:

- a) additional costs made for improvement of the damaged site or change of its characteristics;
- b) during the normal operation, the costs of preventive repair and service;

- c) costs which are required independent of the Insured Event;
- d) other costs, exceeding the required one.

1.5.6. Restoration costs are calculated based on the prices applicable at the moment of Insured Event.

1.5.7. If restoration of the property as per the parameters applicable by the moment of Insured Event is impossible due to some reason or not viable economically, a number of parameters of the object to be restored may be changed based on a mutual agreement.

1.5.8. We'll reimburse the costs which may become necessary within the pre-repairing works, if such works are part of the final repair and if the total cost made for the repair works does not increase.

1.5.9. All costs related to the restoration works should be made reasonably and in a timely manner.

We'll not be liable for the additional damage resulted by the failure to eliminate the primary damage in a timely manner.

1.5.10. Incomplete Insurance

If the Sum Insured is significantly less than insurance value (incomplete insurance) of the property determined for insurance by the moment of the Insured Event, method of proportionality shall apply to the calculation of the insurance reimbursement, implying the payment to be made with the proportion of the Sum Insured against the market value (insurance value) of the insured property by the moment of insurance. In addition, the deductible will be deducted after usage of the method of proportionality.

Example: if the real value of the insured property is USD 100,000 and it is insured for USD 80,000 (which means that the property is insured for 80% of its value) and if in case of real value insurance after the damage arises, the insurance reimbursement totals USD 10 000, only USD 8,000 (80 of USD 10,000) will be issued as a reimbursement based on the method of proportionality.

Notwithstanding the above provisions, if in the "Special Conditions" under the Insurance Policy, it is indicated that the subject(s) of insurance "is insured with a single limit", no method of proportionality against this insured subject(s) will be applied while calculating the insurance reimbursement, however while reimbursing the damage resulted by a single insurance case, the coverage against a subject(s) shall be deemed completely exhausted, notwithstanding the amount of paid reimbursement.

1.5.12. Exceeded insurance

If the Sum Insured exceeds the insurance value of the property determined for insurance by the moment of Insured Event, we shall not pay extra amount.

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

1.5.13. Double Insurance

If the insured property is found insured with several insurers at the same time (double insurance), you should notify us immediately upon getting such information and specify the identity of other insurers and the amount of their liability in the respective written notification. In such case, the insurers will participate, as joined debtors pro rata the amount of our liability, however you are not authorized to get more amount than the real damage in total.

1.6. Third Party Liability

1.6.1. You may conclude an insurance contract for the benefit of a third party, i.e. appoint a beneficiary.

1.6.2. Before the Insured Event occurs, you may change the beneficiary specified in the Contract by another person, which should be notified to us in writing. Change of the beneficiary should be made based on a written agreement.

1.6.3. Conclusion of an insurance contract in the name of the beneficiary does not release you from fulfilment of the obligation provided under the Contract, unless otherwise specified by the policy.

1.6.4. We may require the beneficiary to fulfil the obligations undertaken by the insurance contract.

1.6.5. We're obliged to pay for the benefit of the beneficiary when the beneficiary agrees on the insurance contract, except for the cases provided for by law.

Part II Additional Coverage

2.1. Third party liability Insurance arisen from the exploitation of insured property

2.1.1. We will reimburse the material civil liability assigned to you, if within the valid period of the insurance contract, as a result of improper or negligent use of the property insured as per the general program, there have arisen a fire, explosion or flooding and which, on its part, caused a damage to the property of third party (parties), except for the liability which:

- 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.
- exceeds the liability set forth by the law.
- is assigned as per any of the contracts or as a penalty sanction.

We are released from the obligations undertaken by Clause 2.1.1. if you have intentionally caused the liability towards the third party.

2.1.2 Calculation of the Insurance Reimbursement

Insurance reimbursement shall be calculated from the amount of material damage incurred to the property of third parties due to your faulty action in consideration of those principles which are applicable to while calculating the amount of the damage incurred to the property in the general program.

2.1.3. In case of failure to achieve agreement on the amount of the insurance reimbursement, the amount of the insurance reimbursement shall be determined based on the enacted resolution made by the court on material compensation for the third person. In this case, we will also reimburse the costs incurred to the lawyer at court and beyond the court with our consent.

At the same time the events when You and/or Your representative admits the claim or a part thereof at the trial without any preliminary written agreement with Us shall not be considered as basis for compensation

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

2.2. Lost Leasing Amount

2.2.1. If as a result of the Insured Event, your property is inappropriate for residence, we will reimburse the lost leasing amount before the property is restored or new property is purchased, but no more than the maximum period and limit specified under the policy, if the insured property was leased by the insured lease contract at the moment of the insurance case.

2.2.2. Payment of the insurance reimbursement will be made based on the lease contract insured by the moment of the Insured Event.

2.2.3 We will be released from the obligation to pay the insurance reimbursement, unless you notify us about the amendment/termination of the lease contract determined for insurance before the Insured event.

2.2.4 Reimbursement will be made provided that the restoration of property will be made within the reasonable period of time. We are not liable for the delays due to your unconscientious behaviour and/or insolvency.

2.3. Insurance from the Damage Incurred by the Lessee

2.3.1. This coverage is designated for the case, when a liability of lessee specified in the application and the policy is arisen toward you for the damage incurred to the property which is insured within the general program determined by the policy, except for the liability, which:

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

2.3.2. Calculation of the insurance reimbursemen

Calculation and payment of the insurance reimbursement will be made according to the principles provided for the general coverage in consideration of 2.3.1 conditions.

2.3.3. Essential condition for the reimbursement is the transfer of a right of regress from you to us against your lessee and assistance for conclusion of all necessary documents and implementation of relevant procedures.

Part III General Conditions

3.1. General Exclusions

Below exclusions are valid for each above defined type of the insurance coverage (Part I, II).

Insurance does not cover and respectively, we are released from the obligation to make the payment of an insurance reimbursement for the loss, destruction and damage:

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

3.1.2. 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.

3.1.3. which is caused by your, your family members or the beneficiary's intentional act, negligence or violation of the applicable laws.

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

3.1.5. 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

3.1.6. which is caused by major repair of the premises, except for the liability arisen against the third parties. 3.1.7. 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;

3.1.8. 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.

3.1.9. Risks other than those specified in the relevant insurance programme;

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

3.1.11. 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;

3.1.12. which is caused by dishonesty including acts of fraud, blackmail, extortion;

3.1.13. activity, which as per the applicable laws of Georgia, entitles the Insurer to waive the insurance payment.

3.1.14. If the issuance of a policy was made based on incorrect information submitted by you in particular, you have 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 we are obliged to return the premium received by us by transfer on the bank account, from which the payment of insurance premium was carried out by you. .

3.2. Sum Insured

3.2.1. The Sum Insured is the maximum limit of the amount specified in the insurance policy based on the agreement between you and us and indicated by you in the application, within which we will pay the insurance payment, as per each insurance coverage;

3.2.2 Based on the agreement between us, the sublimit of our liability may be determined within the insurance amount under the policy. This is the maximum amount of insurance payment:

2.2.2.1 per each risk;

2.2.2.2 per each/separate insurance case and/or each injured person;

3.2.3 if after reimbursement of the Insured event, based on additional premium, you do not restore the Sum insured, the Sum insured will be reduced to the amount of the reimbursed sum;

3.2.4 the deductible will be determined in the insurance policy which represents the amount of the sum which is deducted from the total payment and for which we carry no liability;

3.2.4.1 conditional deductible – conditional limit expressed in sum. If the damage is less than or equal to this conditional limit, we will not reimburse it. If the damage exceeds such conditional limit, we will reimburse the total amount of the damage;

2.4.2 Unconditional deductible – the minimum amount which will always be deducted from the total amount of loss;

2.4.3 if in the policy no deductible type is determined, than the unconditional deductible will be applied;

3.2.5. the deductible may be determined for all as well as per each type of damage as per the limits established by this document.

3.3. Insurance Premium and Payment Conditions

3.3.1. Insurance Premium shall mean insurance fee to be paid by you to us in accordance with these terms and conditions, and in compliance with the rules and within the terms specified in this Insurance Policy;

3.3.2. Insurance Premium shall be paid a lump sum or with the defined periodicity. by installments. The periodicity, terms and other essential conditions of payment s shall be specified at drawing up of the Policy.

3.3.3. In case of failure in paying the Premium on time, within the terms specified under the Insurance Policy, we shall determine additional two-week term for payment. If loss event takes place after expiration of this two-week period, and the payment is not made, we shall not be held liable for compensation.

3.3.4. At the same time, failure in payment of the Premium on time shall entitle us to warn you on ceasing the Agreement, one month earlier and if after the expiration of this date the payment still is not made, cease the Insurance Agreement.

3.3.5. If at the moment when the insurance reimbursement you have overdue liabilities, we shall be entitled to deduct the respective amount from the amount to be compensated.

3.4. Locations Covered by the Insurance/Territory of Insurance

3.4.1. The property shall be deemed insured only at the address indicated in the Policy as an address of the object insured. From the moment of any movement of the property from the address indicated in the Policy, the Policy shall not cover any compensation specified under this Policy in respect to this moved property, if otherwise indicated in a specific insurance coverage (Third Party liability Insurance).

3.5. Liability of Providing Information on Change in Risk Degree

3.5.1. At the moment of issuing this Insurance Policy you shall be responsible to inform us about all the circumstances known to you that may affect the occurrence risk assessment.

3.5.2. We shall be entitled, before issuing the Insurance Policy, and in case of necessity after issuing the Insurance Policy, to require submission of any document determining insured event occurrence probability;

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

3.5.4. In case of allianation of the insured property, you shall inform us about the name and contact details of a new owner immediately.

3.5.5. Liability of providing information to us is effective through the whole insurance period and is not limited to the information necessary for risk degree assessment only; it also includes the information about the amount to be compensated and/or emergence of our liability.

3.5.6. You are obliged to undertake all reasonable and necessary measures to avoid damage to the Insured Property within the whole Insurance Period under the Insurance Policy.

3.6. Cases when Insurance Terms and Conditions may be changed

3.6.1. During the effective period of the Insurance Policy, in case the insurance risk is increasing, we shall be entitled to request change in terms and conditions of the insurance or payment of an additional insurance premium. Such a decision made by us shall be binding for you;

3.6.2. Your statement about refusal of changing the terms and conditions of the insurance or payment of an additional insurance premium, shall entitle us to cancel the Insurance Policy from the moment the changes arise and cease effectiveness of the insurance by observing the preliminary one-month term. Observing this term shall not be required if increase in insurance risk is caused by your or your family members intentionally or by your or your family members gross negligence;

3.6.3. In case of change in the circumstances affecting the essential terms and conditions of the insurance, inter alia change in risk degree, scope of insurance, policy validity or the amount of insurance premium inclusive, appendix to the Policy signed and sealed by us shall be delivered to you.

3.7. Conclusion of Insurance Agreement and Validity term of the Agreement

3.7.1. In order to conclude an Insurance Agreement you should electronically fill in an Insurance Application, and agree/accept the Terms and Conditions. Besides, you shall provide us with extract from the public registry of the property to be insured together with copy of your ID (in case according to the extract the property is owned by other person also copy of ID of the owner). Based on the information and documentation indicated in the application and submitted by you, the Policy will be prepared and will be provided to you.

3.7.2. The issuance of Insurance Policy certifies conclusion of the Insurance Agreement. Only in case of existence of Policy, we shall indemnify the loss in return of the Insurance Premium upon occurrence of the Insured Event.

3.7.3. If during the Insurance Period any changes are introduced into the terms and conditions of insurance coverage such changes shall be reflected in the Policy or its endorsement. In case of discrepancy between the Policy and the present Insurance Terms and Conditions, the Policy shall prevail.

3.7.4. If not specified otherwise under the Policy, the Policy shall be issued for one-year period;

3.7.5. The Insurance shall be effective after 24 hr. of the first day of the date indicated in the Insurance Policy and shall be valid through 24 hr. of the last day of the date specified under the Insurance Policy, and we will not indemnify those Insured Events which will occur before the first or lump sum payment of the premium by you 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.

3.8. Termination of the Policy/Insurance

3.8.1. Without time extension and prior notification the Policy may be terminated before its due time without a written notification, under the following circumstances:

3.8.1.1. Expiration of sum insured specified under the Policy/expiration of validly term of the Policy;

3.8.1.2. If after the Insurance comes into force the possibility of insured event occurrence no longer exists and existence of insurance risk is stopped due to any circumstances, except for insured event;

3.8.1.3. If increase or effectiveness of the insurance risk, resulting in the loss, is caused by you or your family member or person living with you intentionally or by your or your family members or person living with you gross negligence;

3.8.1.4. Other cases specified by the Georgian Legislation.

3.8.1.5 If you pay the insurance premium in the form of a written order given to respective banking organization, and in accordance with this order the respective bank takes the insurance premium from your account, without acceptance, in accordance with the schedule specified under the Policy, and pays this amount to our account, and if you cancel such an order before the expiration of the insurance period and at least 2 (two) weeks earlier we are not informed in writing about this cancelation, and other form of payment of the insurance premium is not agreed in writing between us, or if by the payment date (taking from the account) of the insurance premium there is not enough amount on your bank account, due to which it is impossible to take the total insurance premium from the account without acceptance. In the cases mentioned above the insurance shall be terminated automatically from the date of earning total insurance premium already paid by you.

3.8.2. The Policy may be terminated by observing a one-month term on the basis of a prior written notice under the following circumstances:

3.8.2.1. In case of failure in paying the insurance premium on the dates specified under the Policy.

3.8.2.2 In case of increase of the insurance risk, you refuse to pay additional premium/ to make change in the terms and conditions of the Insurance.

3.8.2.3 In case of alienation of the property insured

3.8.2.4. In other cases specified by the Georgian Legislation.

3.8.3. In case of termination of the insurance before its due date you shall be liable to cover earned insurance premium anyway, at the same time in case of compensating any loss by us during the insurance period, unearned insurance premium shall not be subject to return, and in case of payment of the insurance premium by installments, unearned insurance premium shall be covered by you totally.

3.9. How is the Insurance Act is executed

3.9.1. s. The insurance act drawn up by the Insurer shall be signed by the Insurer as well as by the Insured/Beneficiary.

3.9.2. The Insurance Act signed by the parties shall represent the basis for issuing of insurance reimbursement. Before the Insurance Act is signed by the Insured/Beneficiary, we shall be entitled not to pay insurance reimbursement.

3.10. At Occurrence of the Insurance Event you shall:

3.10.1. Upon occurrence of the Insured Event immediately inform respective competent authority (patrol police, Fire Prevention Service, respective emergency services, etc.) and us (our 24-hour call center) about the event.

3.10.2. Take all possible reasonable measures for preventing further extension of the loss, for the purpose of loss reduction or for saving damaged property, you shall act in accordance with our oral and/or written instructions, if any;

3.10.3. Preserve existing circumstances at the site of the event before arrival of our representative.

3.10.4. Take all measures to ensure our regressive/subrogation claim towards the third parties responsible for the loss resulting from the insurance event.

3.10.5. Assist us in finding and studying the causes of the insurance event, circumstances and amount of loss inflicted.

3.10.6. Submit a written statement indicating the list of damaged property and approximate reimbursement /replacement cost, not later than 1 week after the insurance event occurrence.

3.10.7. Provide the following documents within 1 (one) month after the occurrence of the insured event:

a) A written notification about the insured event;

b) The original of the Insurance Policy;

c) A written application established by us for payment of insurance reimbursement, in which all the circumstances known to you in respect of the insurance event and assumed loss amount shall be reflected;

d) Certificates regarding the insured event, issued by the competent state authorities: Fire Prevention Service, Hydro Meteorological Center, Patrol Police, Ministry of Internal Affairs, Prosecutor's Office or other law abiding bodies (in accordance with their competences);

e) document certifying ownership title or other property interest (extract from public registry, purchase agreement, lease contract, etc.);

f) documents certifying the amount of the damage;

g) your bank details.

3.10.8. in case of loss of the policy during the insurance period, you should submit a written request based on which, we'll issue a policy duplicate (with relevant griffon, which certifies that the policy is duplicated). Identification details of the policy duplicate shall remain unchanged, and the lost policy shall be considered as invalid and no claims based thereon are subject to reimbursement.

We retain a right to request additional documents, if necessary, if it is impossible to determine the circumstances of the damage based on the above documents and/or precise calculation of the amount of the damage.

3.10.9. after using the insured property, according to the coverage of property liability arisen towards third parties, at the moment of the insurance case, it is necessary:

- that you do not recognize your guiltiness and do not undertake an obligation of indemnification without our written approval.
- that you take all the necessary measures that the aggrieved person does not apply to the court, before reviewing the request for remuneration of the loss by us.

- that, if necessary, authorize the person appointed by us to:

- conduct negotiations with the aggrieved persons and their representatives, and
- represent in the legal proceedings with all the procedural authorities, including the right to acknowledge (suit notice) the liability for property requirements.

3.10.10. to notify us about the time of conducting the expertise of the Lessee's/third person's damaged property at the time of arising the insurance case, according to the coverage of the liability to the lessee/third person and to allow us to conduct an independent expertise for determining the volume of the damage.

We are entitled to request from the Owner/Beneficiary of the Insured property the fulfilment of all your obligation under given terms..

3.11. How the Insurance reimbursement is paid out

3.11.1. We will pay the insurance reimbursement within 30 (thirty) days upon signing the insurance act, unless the case implies the illegal acts of third parties, theft, robbery, plunder when the insurance fee is issued after 2 (two) months' time lag on the basis of insurance act. Besides we are obliged to pay insurance reimbursement in favour of Beneficiary only if Beneficiary agrees to the terms the insurance Agreement, except the cases provided by law.

3.11.2. We retain the right to postpone decision making about the payment of insurance reimbursement, if there is a criminal case initiated against you, your family member (beneficiary) or its authorized representative in relation to the fact of insurance risk.

3.11.3. Calculation of the amount of insurance reimbursement shall be governed as per the specific coverage, based on the damaged/destroyed property inspection and the documents issued by the relevant authorities.

3.11.4. Maximum amount of the insurance payment is limited by the Sum Insured, notwithstanding the quantity of the insured events and the volume of the damage.

3.11.5. While issuing the insurance reimbursement, the deductible and depreciation specified on the insurance policy will be deducted therefrom.

3.11.6. In case of payment of the insurance premium in instalments, the insurance reimbursement will be reduced by the amount of unpaid premium.

3.11.7. If the damage is reimbursed to you and/or beneficiary by third party (parties), we will reimburse only the difference between the amount reimbursable under the insurance contract and the amount to be paid by the third party. You should forthwith notify about the receipt of this amount.

3.11.8. In case of payment of the total value of the property, (also in case of damage of particular replaced property on the damaged property) you are obliged to transfer the right of ownership to the residuals and perform all those actions, which are provided for under the applicable laws of Georgia for this purpose. In case you, due to some objective reasons (other than failure to fulfill the obligations specified by present Terms and conditions or wrongful act made by you) are unable to transfer of title to / ownership on changed parts/destroyed/lost property to us we are entitled to deduct the remained value of changed parts/destroyed/lost property from the Insurance reimbursement or, if the Insurance reimbursement has been already paid, we shall be entitled to recover such payment from Besides, in such cases the remained value will be determined by us or by a competent person designated by us.

3.11.9. If clarified that the destruction or damage of the property was resulted by the acts of third persons, we are entitled to use the right of regress and claim for the reimbursement of the paid amount from the accused party.

3.11.10. If due to your reason, it becomes impossible to exercise the right of regress, we are entitled to object / claim back the returning of the insurance reimbursement paid by you.

3.12. Waiver of payment of Insurance reimbursement

3.12.1. We shall be released from the undertaken obligations, if you:

a) fail to perform the obligations assigned to you by these terms and conditions;

b) have not assigned to us 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.

c) have not registered the right of ownership to the lost/replaced/destroyed property in our 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 you by the moment of violating the obligations assigned to you, we have already paid the insurance reimbursement, you are obliged to return the received amount.

3.12.2. We are entitled to waive the insurance payment, if the following circumstances have taken place:

- a) you/member of your family has intentionally or with gross negligence committed an illegal act which is directly linked with the insurance case.
- b) you have violated the term of delivering the information about the increase of insured event/risk degree.
- c) the information/documents submitted by you for risk assessment/acknowledgement of insurance case/calculation of the amount of insurance reimbursement is incorrect or false.
- d) you refused to ensure the participation of our representative in the survey-collection of the reasons resulting the insured event, volume of the incurred damage and other data relating the insured event.
- e) you have not provided any document required by us as per these terms and conditions;
- f) without our written approval, you have paid to the third parties the compensation or reimbursed the costs of lawyer's costs at court and/or beyond the court;
- g) violated the term of two weeks established by us due to the failure to pay the premium;
- h) double insurance has taken place in relation to the interest insured by us, however no information about such double insurance was provided by you in writing;
- i) you have not performed other obligations assigned to you by the policy, insurance terms and conditions and legislation of Georgia.
- j) in cases provided in article 1.5.12 of Section I; Articles 2.1.3.-2.1.4, 2.2.3,2.2.4 of section II; Articles 3.5.3 and 3.7.5 of section IV,

3.12.3. waiver to payment of insurance reimbursement will be delivered to you in writing, with the substantiated reason of such refusal.

3.12.4. you may appeal the negative resolution made by us concerning the insurance reimbursement, as per these terms and conditions and the applicable laws of Georgia.

3.13. Independent Expertise

3.13.1. You as well as we may require to conduct an independent expertise for establishing the reasons causing the damage, destruction, and the damage of the insured property and amount of loss in more details. Independent expertise is made by an expert or expert commission, appointed based on mutual agreement between us.

3.13.2. Costs of the independent expertise will be paid:

- a) if the expertise is conducted on our initiative, the costs will be undertaken by us;
- b) if the expertise is conducted on your initiative, the costs will be undertaken by you;

3.14. Dispute Resolution

3.14.1 The disputes arisen in relation to this insurance which is made as per these terms and conditions, shall be settled through amicable negotiation, and in case of failure to reach agreement, – it will be resolved by court, as per the applicable laws of Georgia.

3.14.2. For dispute settlement, the Parties are entitled to apply to the “Insurance Mediation” of the Non-entrepreneurial (Non-commercial) Legal Entity “Georgian Insurance Association” (ID 204878481) at the phone number: (+995 32) 2555155 or at the email: mediacia@insurance.org.ge., and in case of disagreement through the “Insurance Mediation”, Parties apply the Court according to the paragraph 3.14.1.

3.15 Confidentiality

All the information exchanged between the parties (whether it is verbal or written), representing the commercial or other kind of value, shall be deemed confidential and may not be delivered to third parties without prior agreement, unless it is related to the fulfilment of obligations arisen from the contract or the requirements of the applicable laws of Georgia. Notwithstanding the aforementioned, by signing the respective insurance policy, you are granting to us an unconditional title to transfer any information about you available to us to JSC Credit info Georgia (registered at Mtatsminda-Krtsanisi district court on February 14, 2005, registry No. 06/5-51, Identification No.204470740), without any additional consent from you, which will cause your recording in the data base of the Credit info Georgia.

We are obliged to properly secure your personal information available to us, with your permission, for the purposes of insurance service; In addition, we are authorized to process Your personal information for offering the insurance service and in case of failure to fulfill the obligations provided for by the Insurance Agreement, through transferring to third parties, for protecting our interests and process your personal data, via the authorized person as per the applicable laws.

In addition, you, by filling the electronic application grant us unconditional authority, without any additional agreement with you to apply the competent authorities/sources and get any kind of information connected with you /Owner of the Insured Property, the identical consent/authorization from whom, by your turn, is obtained by you) also connected with any kind of information/data indicated by you in the application, as well as get any information about the property to be insured.

3.16. Provision of Information

All notices required for execution of the Insurance Agreement shall be provided to the parties in writing or sent by fax or mail according to the place of residence/details of the parties. If agreed between the parties, notice may be sent to the Insured as SMS or E-mail. Insured's contact details shall be indicated in the Insurance Application or Insurance Policy. In case of failure to immediately provide the Insurer with the relevant information about the change of the address/place of residence or other particulars, any correspondence/notice sent by the insurer shall be deemed to be received by the Insured.

By filling the electronic application, you are obliged thoroughly read and agree/accept present Terms, otherwise the Insurance Agreement shall not be executed.