



HOMEOWNERS INSURANCE POLICY WORDING # R/HVP-001/20-1

WELCOME

We are delighted that you have decided to buy an insurance. Our 30-year experience in Georgian insurance market as well as our thoroughly knowledge enables us to ensure you – you are in safe hands. Your insurance agent will ensure that you experience excellent personal service and, should you need to make a claim, the finest claims service is available 24 hours a day to serve you with the high professionalism you expect from us. We welcome you as a customer and hope that you will be wholly satisfied with our product and service.

Thank you for choosing us for your property insurance.

SECTION I - WHILE POLICY INCEPTION

This Policy Wording, Your Policy Schedule and Application, set out the Contract between **You** and **Us**. **You** should consider these documents together as one, and read it carefully. Please note that the words with special meanings are highlighted in bold print and defined herein or other Sections where they are used specifically. Despite our detailed and comprehensive definitions, if you find any term or condition given herein to be vague or ambiguous, please do not hesitate to contact us, we will be happy to assist.

INSURING AGREEMENT

We (Insurer, JSC „Aldagi“) and **You** (Insured), agree:

INSURING CLAUSE

In return for payment of the **Premium** by **You**, **We** will indemnify **You** for the damage caused by an **Insured event**.

UTMOST GOOD FAITH

Unveiling the cover details herein with maximum transparency and clearness is of key importance for **Us**. At the same time, **We** expect from **You** as well to take reasonable care for disclosure of information in connection with the **Insured Risk** at all stages of our relationship. Specifically, it is **Your** duty to give **Us** a prompt notice, as soon as practicable, of any reconstruction of insured building or malicious threat by the third party towards the **Insured Property**. **You** should also advise **Us** of any important change to **Your** insured dwelling or **Contents** or any other insured interest as disclosed in the Application or statement of fact, such as, e.g. change of purpose of use of **Your** residence.

LIMITS OF INSURANCE

You indicate/choose the **Limits** and **Sub-limits of Insurance** for **Main** and **Supplement Products** and the elements thereof while filling out an Application. **Limit / Sub-limit of Insurance** is a maximum indemnifiable amount which you are entitled to receive despite the number of **Insured events** and the size of an incurred damage. Limits are extinguishable, therefore any payment under this Contract reduces the subsequent **Limit(s)** which cannot be reinstated. A **Sub-limit** is a part of a **Limit of Insurance** and not an addition thereof.

DEDUCTIBLE

We, as a parties of this Contract, share a risk by setting a **Deductible** in the Policy Schedule, which is a fixed sum (It may be also represented as a percentage of **Limit** or damage, or number of days). The risk is shared by the following way: for such damage (caused by an **Insured event**) which is less than the **Deductible**, **You** yourself are responsible for that amount fully, however, for the damage exceeding **Deductible**, **You** cover the amount of money equivalent to the **Deductible** and the rest is covered by **Us**. This rule applies to each and every damage.

NOTIFICATIONS

We can send notification in hard copy, SMS, or electronic form on the contact details given in the Policy Schedule. In case of the change of the contact details, it is **Your** duty to update **Us** thereof, otherwise all notices/documents sent by **Us** to the above mentioned addresses shall be deemed delivered.

DISPUTE RESOLUTION

Disputes arisen in connection with this Contract shall be referred to the mediator of the Georgian Insurance Association's "Insurance Mediation" on hot line: (+995 32) 2 555 155, or at address: 24 Mosashvili Str. Tbilisi 0162, Georgia, or email: mediacia@insurance.org.ge. The costs of the mediation are financed by the member fees of the Georgian Insurance Association. In case of failure of the negotiation, disputes will be resolved by court as per applicable laws of Georgia.

PLEASE NOTE THAT, THE RULES FOR PAYMENT CALCULATIONS PER EACH PRODUCT ARE GIVEN BELOW IN - 'PAYMENT OF LOSS' PARAGRAPH.

“Indemnification shall not exceed actual amount of loss sustained”
Principle of Indemnity

PAYMENT OF LOSS

DETERMINING AMOUNT OF PAYMENT

BUILDING

In case of damage/destruction to the **Frame** of the house/cottage:

Damage scale is set to

+be the cost to reconstruct/restore the damaged **Frame**, with a new materials, calculated at the time of occurrence (but not more than market value of the same house/cottage at the time before the actual occurrence).

In case of damage/destruction to the **Frame** of the apartment:

Damage scale is set to be the cost to reconstruct/restore the **Frame**, with a new materials, calculated at the time of occurrence (but not more than market value of the similar apartment structure on the same/similar location). In case, the apartment **Frame** cannot be restored, damage scale is determined as a replacement value i.e. market value of the similar apartment **Frame** on the same/similar location.

FIXTURE/FITTING AND CONTENT

In case of damage/destruction:

Damage scale is set to be the cost to restore/repair the damaged property, with a new materials/parts, calculated at the time of occurrence. For those units, which are not restorable (e.g. owing to being lost or destroyed), it will be determined by replacement value i.e. market value of the similar unit in the same condition (it used to be before the actual occurrence).

Fixture/Fitting and **Content** section indemnifies only those **Furniture, Electronics** and **Appliances** which are listed in Annex 1. Moreover, if the damage exceeds 50% of the sum of the **Sublimits** thereof, **We** will additionally pay one-time sum amounting to 2.5% of **Fixture/Fitting** and **Content Sublimit**, this sum is allocated for those small appliances which are not listed in the Annex 1.

THIRD PARTY LIABILITY / LANDLORD'S LIABILITY

Damage scale is set to be the sum which **You** become legally liable to pay to any third party (in case of **Landlord's liability** - to **Tenant**) as a result of the **Insured risk** thereof.

You should make negotiations with any third party with **Our** prior consent. In case of failure to agree on the sum of compensation to the third party, the damage scale will be set by the court. In such case, **We** will also indemnify court/outside court defense costs.

DAMAGE CAUSED BY TENANTS

Damage scale is set to be the sum which tenant is liable to pay to **You**. You should make negotiations with the tenant with **Our** instructions. In case of failure to reach agreement on the sum of compensation, the damage scale will be set by the court. In such case, based on our prior agreement, **We** will also indemnify court/outside court defense costs.

LOSS OF RENT

Damage scale is set to be non-received rental income (but no more than 6 (six) months rental income on the market of the similar apartment on the similar location). **We** use current and previous rental agreements (in case of availability) and **Your**

bank statement (as an evidence of receiving/existence of rental income) for determining non-received amount of the rental income. We reserve right to take into consideration an impact of the seasonality on the price of the rent.

Eventually, damage (scale of which is determined by the above given rule) per **each product** element will be summed up, afterwards, we will deduct **deductible** from this sum and pay from the **limit of insurance**.

LIVING SPACE UNDERINSURANCE

If, at the stage of loss assessment, **We** will find out that **You** have indicated in the Application lesser size of the dwelling than there actually is (hereinafter **Insured Space**), **Main Product** payable amount determined by the above rule will be reduced in such proportion as uninsured space bears to the actual space.

OTHER INSURANCE

Principle of Indemnity asserts that **You** have no right to gain more than the actual amount of loss sustained. Therefore, if **Your** interest at the time of the loss will be covered by other insurance company's policy as well, indemnification determined by above rules (which you would have got in case of non-existence of other insurance(s)), will be reduced proportional to the sum indemnifiable by all insurers taken together.

Moreover, you are obliged to give us prompt notice, immediately, upon becoming aware of **Other insurance** by indicating name of insurer and cover details thereof.

PRECONDITION OF PAYMENT

SUBROGATION

If it is found out that, loss or damage of the **Insured property** was caused by the third party action (including tenant), in the event of payment of loss under this Contract, **We** will be entitled to assume all your rights of recovery against others for a covered loss.

SALVAGE RIGHTS

At the stage of loss settlement, As per **Our** request, **You** are obliged to transfer to **Us** property ownership rights on the lost property/ on remains of the destroyed property/ on replaced parts of the damaged property. When the apartment is destroyed, **You** are obliged to transfer to **Us** property ownership rights on the relevant land plot area and destroyed flat itself. In case transfer of rights cannot be executed, **We** are entitled to reduce payment by the value of ownership/property remains or replaced parts, or require return of the paid amount.

SECTION II - WHILE LOSS

Please, upon discovery of loss or damage of the **Insured Property**, theft, burglary or robbery thereof, immediately give **Us** a notice by calling to **Our** call center on the following number: +995 32 2444 999.

Our call center operator will need **Your** personal data and details of the event in order to register the case.

In general, for all types of occurrences, **You** are required to take all possible reasonable measures at your hand for rescuing the **Insured Property** (e.g. in case of theft/burglary/robbery/vandalism – you should call police, in case of fire (explosion) – you should call the fire brigade and the police). **You** should give **Us** all the relevant documents on the loss issued by authorized bodies. Moreover, without our prior consent, you should keep the place of the incident unaltered and should not make restoration/repairs thereof.

We will return to **You** with detailed instructions on actions **You** should take in order for **Us** to study the case details after registration thereof.

We will inform **You** within 10 working days, after receiving all the necessary documents and information, on whether or not **Your** case is approved and the sum you will get. Payment is made after signing the Act by both parties, which itself represents agreement of the parties on the allocated amount.

If there are legal proceedings against **You**, **Insured Property** owner, a person permanently living therein, or a person being at the **Insured Property** by the allowance of anyone mentioned herein, we are entitled to postpone the decision regarding the indemnification.

In case a premium is paid in installments, **We** are entitled to offset premium due from an indemnification in full.

SECTION III – TERMINATION OF THE CONTRACT, REFUSAL TO PAY

Below is given terms and conditions on contract termination and refusal to pay.

PAYMENT REFUSAL

We are entitled to refuse to pay, if, **You**:

- **Insured Property** owner, a person permanently living therein, or a person being at the **Insured Property** by the allowance of anyone mentioned herein made a deliberate action or gross negligence.
- Fail to give **Us** notice within 24-hours after becoming aware of loss or damage of the Insured property, theft, burglary or robbery thereof.
- Fail to give **Us** notice, immediately, after becoming aware of **Other Insurance**.
- Provided false/fraudulent information, document or notice during **Your** case management.
- Fail to give **Us** timely information indicated in the **Utmost Good Faith** paragraph or your notice includes incorrect data, or information **You** have provided in the Application is incorrect or fraudulent (e.g. **You** have indicated incorrect/false year of construction of the **Insured Property**).
- Fail to take all possible reasonable measures for loss/damage minimization, the rescue/preservation of the **Insured Property**.
- Fail to cooperate with **Us** during **Your** case management, inter alia, fail to fulfill **Our** instructions.
- Alter place of incident and make restoration/repairs hereof without **Our** prior consent.
- Admit the claim made against **You** or compensate third party (inter alia tenant) or covered court/outside court defense expenses without **Our** prior written consent.
- Admit the claim, made by the third party (inter alia tenant), against **You** at court hearing or part thereof, or/and reached an agreement with the claimant without **Our** prior written consent, or court has ruled default judgement against **You**.
- Fail to execute all papers required and to do everything necessary to secure any rights towards responsible persons, including the execution of any documents necessary to enable **Us** effectively seek regress from a negligent third party, upon which execution of **Our** subrogation rights have become impossible.

CONTRACT TERMINATION

We are entitled to terminate this Contract unilaterally upon unveiling any of the above mentioned conditions. The contract may as well be terminated by the desire of any one party or by law.

Upon termination of this agreement, 80% of **Unearned¹ Premium** will be annulled. In case, the **Premium** is already paid in full (or partially) it will be returned. We will retain 20% of unearned **Premium** to compensate administrative expenses for service provision.

For questions, wishes and claims, please contact:

2444 999

¹ Unearned Premium - portion of the premium that corresponds to the time period remaining on a Policy Schedule.