

РОСГОССТРАХ



“ROSGOSSTRAKH-ARMENIA” INSURANCE CLOSED JOINT-STOCK COMPANY

APPROVED BY

“ROSGOSSTRAKH-ARMENIA” ICJSC
Board
(Minutes № 04 of Board meeting
as of 02.05.2018)

**TERMS OF VOLUNTARY INSURANCE OF BUILDINGS, APARTMENTS,
HOUSE AND OTHER PROPERTY, PROPERTY OWNERS (HOLDERS)
CIVIL LIABILITY**

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The present Terms are drawn up in accordance with the RA Civil code, RA Law “On insurance and insurance activities” and comply with the following classes of the License APO № 0009, issued by the RA Central Bank:

- Insurance against fire and natural disasters;
- Insurance of property against other damage;
- Insurance of general liability.

The presents Terms constitute the integral part of the contract of voluntary insurance of buildings, apartments, household and other property, civil liability of property owners (holders) (hereinafter referred to as Contract/Policy), concluded in accordance with the present Terms.

In the event of discrepancy between the Armenian and Russian texts of the present Terms the Armenian version shall prevail.

Insurance programmes/products (hereinafter referred to as “Programme”) may be developed based on the present Terms.

Provisions of the present Terms may be modified (excluded and/or supplemented) at the moment of conclusion of the Contract/Policy or within the tem of its validity which shall be specified in the Contract/Policy. Such modifications shall not contradict RA legislation.

1. SUBJECTS OF INSURANCE

1.1 In accordance with the RA legislation and based on the present Terms, “ROSGOSSTRAKH-ARMENIA” Insurance CJSC (hereinafter referred to as Insurer) shall conclude Contracts/Policies with natural persons with legal capacity – RA citizens, foreign citizens and stateless persons, legal entities (hereinafter referred to as Insurant).

1.2 The Contract/Policy shall be concluded in favour of the property owner or other person having, based on legislation, other legal act or contract, interest in preserving that property (hereinafter referred to as Beneficiary).



1.3 Within the validity period of the Contract/Policy the Insurant shall be entitled to replace the Beneficiary, specified in the Contract/Policy, with another person, unless otherwise stipulated by the Contract/Policy. The Insurant shall notify the Insurer about the replacement of the Beneficiary in writing.

1.4 In the event of transfer of rights on the insured property from the person, in respect of whom the Contract/Policy was concluded, to another person, the rights and obligations under this Contract/Policy shall be transferred to the person to whom the rights on the property were transferred. The person to whom the rights on the insured property were transferred and who accepts the rights and obligations under the Contract/Policy shall immediately, but in any case no later than in 10 (ten) calendar days, notify the Insurer in writing for reissuance of the Contract/Policy.

1.5 The Beneficiary shall not be replaced by another person after the occurrence of the insured event either after the Beneficiary has already performed any of the obligations under the Contract/Policy or has submitted an insurance benefits claim to the Insurer.

1.6 The conclusion of the Contract/Policy in favour of the Beneficiary shall not release the Insurant from performance of the obligations under this Contract/Policy, unless otherwise stipulated by the Contract/Policy or in the event the Insurant's obligations have been performed by the Beneficiary.

1.7 The Contracts/Policies concluded in accordance with the present Terms may cover the civil liability of the Insurant (Insured person) to other (third) parties (Beneficiaries), the life, health and/or property of which may be damaged as a result of actions or inaction of the Insurant (Insured person).

1.8 Shall not be classified as “other parties” the family members and employees of the Insurant. Nevertheless, the Contract/Policy may cover the civil liability of the Insurant himself as well as other person specified in the Contract/Policy (hereinafter referred to as Insured person), who may bear such liability.

1.9 The Contracts/Policies concluded in accordance with the present Terms shall be valid on the RA territory, unless otherwise stipulated by the Contract/Policy.

2. OBJECTS OF INSURANCE

2.1 The objects of insurance are:

2.1.1 the property interests of the Insurant (Beneficiary) related to possession, use and disposal of the property (property insurance);

2.1.2 property interests of the Insurant (Beneficiary) related to the obligation to compensate the damage caused to the life, health and/or property of other parties (civil liability insurance).

2.2 The Contract/Policy may cover:

a) the buildings intended for personal use (hereinafter referred to as buildings) including constructions of economic, household, sports and other purposes, their separate structural elements or constructions without separate structural elements (a house without a foundation, a house without a furnace, etc.);

b) apartments, rooms, garages and ancillary buildings, their separate structural elements or apartments without separate structural elements;

c) public places, facilities in an apartment house;

d) internal or external decoration of structural elements;

e) installed engineering equipment;

f) objects of real estate under construction (the existence of foundation, walls, roof, doors and closed windows, if the construction project provides the latters, is required for buildings);

g) household property;

h) other property.

2.3 Under the terms of the “general” insurance Contract/Policy may be covered the household property, i. e. household items of interior decoration, everyday use, comfort, personal use belonging to the Insurant (Beneficiary) and/or the latter's family members: furniture, audio-video-photo equipment, electronics and home appliances including computers, peripheral equipment, office equipment, musical instruments, clothing, underwear, footwear, dishes, optical items, curtain rods, blinds, carpets and rugs, bedding,



books, baby carriages, children's toys, artificial Christmas trees, Christmas-tree decorations, small household, garden, sports equipment, other property intended for satisfaction of cultural, household and other needs.

2.4 Under the terms of the “special” insurance Contract/Policy shall be accepted for insurance other property, i.e. any other property not related to household property: construction and finishing materials intended for construction (maintenance) of the building (apartment), bathroom, garage, etc.; bicycles, mopeds that are not subject to registration in the prescribed manner, spare parts, components of and accessories for vehicles; carpentry, locksmith machines, water pumps, tillers, lawn mowers and other mechanisms, electric tools, etc.; a winter garden, a set of elements of landscape architecture, exotic houseplants, ornamental crops, small architectural forms; collections (individual items of the collection), paintings, unique and antique items, articles made of precious metals, precious, semi-precious and ornamental stones in the event the Insurant (Beneficiary) disposes a document from the competent organization on their full assessment or a document certifying the acquisition price; hunting arms, firearms in the event of availability of a permission from the competent authorities to store and carry them in the prescribed manner; apicultural equipment, professional sports, tourist, hunting, fishing equipment; external equipment; firewood, hay; other property of particular value to the Insurant (Beneficiary), except for the property specified in clause 2.6 of the present Terms. Under the terms of the “special” insurance Contract/Policy, household property shall be accepted for insurance in cases specified in clause 7.32.

2.5 Shall not be accepted for insurance:

2.5.1 dilapidated buildings the physical deterioration of which amounts to 75 per cent or more;

2.5.2 apartments located in houses in emergency condition, requiring major repairs or subject to demolition;

2.5.3 household and/or other property located in non-habitable, dilapidated premises, in houses in emergency condition, requiring major repairs or subject to demolition, in buildings under construction and installation and repair;

2.5.4 household and/or other property the physical deterioration of which amounts to 75 per cent or more;

2.5.5 household and/or other property located in the premises and structures of public use (sheds, barns, cellars, basements, attics, stairwells, corridors, etc.);

2.5.6 objects located in an area threatened by natural disasters from the moment when such a threat is announced in accordance with the prescribed procedure or when the relevant authorities draw up a relevant document confirming the threat. In this event, the object may be accepted for insurance against the occurrence of all insurance risks specified in clause 3.3.1 of the present Terms, except for the insurance risk the threat to which is announced. An exception may be made for the cases when the Contract/Policy is concluded for a new term before the expiration of the validity period of the previous Contract/Policy (renewal). In this case, the insurance term of the previous and renewable Contracts/Policies shall be at least one year for each, the insured amount under the renewable Contract/Policy shall not exceed the amount specified by the previous Contract/Policy, and the Insurer shall be entitled to require payment of an additional insurance premium;

2.5.7 objects subject to seizure, confiscation, requisition, arrest, damage or destruction by order of state authorities;

2.5.8 objects, the actual cost of which cannot be determined, including improvised household property;

2.5.9 wooden houses and buildings as well as property located therein, unless otherwise stipulated by the Contract/Policy;

2.5.10 unauthorized structures.

2.6 The property insurance shall not apply to the stocks (consumables: cosmetics, perfumes, sanitary and hygiene products, etc., with the exception of building materials, firewood, hay); consumables for office equipment, seedlings and seeds. Shall not be accepted for insurance, unless constituting a collection, the industrial diamonds and other products for industrial and technical purposes, documents, blueprints,



securities, bank notes, precious metals in nuggets, stones in the form of mineral raw materials, manuscripts, slides and photographs, photo and video materials, objects of religious worship; contact lenses.

3. INSURED RISKS AND INSURED EVENTS

3.1 In accordance with the present Terms, the insurance risk shall be the possible event for the case of occurrence of which the Contract/Policy is concluded.

3.2 Shall be deemed insured event an occurred event specified by the Contract/Policy upon the occurrence of which the Insurer shall be obliged to pay the insurance benefits to the Insurant (Beneficiary). In case if such an event occurred as a result of subsequent events and the event constituting its original and main cause was covered by the Contract/Policy, the given event shall be deemed insured event regardless of whether other events were insured.

3.3 In accordance with the Contract/Policy concluded under the provisions of the present Terms, the Insurer shall provide insurance coverage in case of destruction, damage or loss of the object of insurance as a result of direct exposure to insured risks specified in clause 3.3.1 of the present Terms or a combination thereof:

3.3.1 Option 1 (full risk package):

accidents: a) fire, including exposure to combustion products, as well as water (foam) and other means used in fire extinguishing; b) explosion; c) water damage as a result of an accident of water supply, heating, sewage and fire extinguishing systems, as well as damage to these systems as a result of exposure to low temperatures; d) penetration of water and other liquids from adjacent premises not belonging to the Insurant (Beneficiary); e) impact of vehicles and/or collision with animals; f) fall of trees on the object of insurance; g) fall of aircrafts, their parts or cargo on the object of insurance; **natural disasters:** h) strong wind; i) typhoon; j) hurricane; k) tornado; l) earthquake (upon availability of a special record in the Contract/Policy regarding the insurance of the present risk); m) flood; n) high water; o) hail; p) unusual precipitation for the given area; q) a lightning strike to the insurance object not having caused fire; r) landslide (upon availability of a special record in the Contract/Policy regarding the insurance of the present risk); s) collapse; t) mudwater; u) avalanches; **crimes against property:** v) burglary; w) robbery; x) deliberate destruction (damage) of property by others;

3.3.2 Option 2 (selective insurance):

fire, including exposure to combustion products, as well as water (foam) and other means used in fire extinguishing;
explosion;

3.3.3 Option 3 (selective insurance):

damage or destruction caused by water as a result of natural disasters; penetration of water and other liquids from adjacent premises not belonging to the Insurant (Beneficiary); accident of water supply, heating, sewage and fire extinguishing systems, as well as damage to these systems as a result of exposure to low temperatures;

3.3.4 Option 4 (selective insurance):

burglary; robbery;
deliberate destruction (damage) of property by others;

3.4 Destruction or damage of the object of insurance as a result of performing the actions aimed at extinguishing the fire, as well as side effects (smoke, melting, etc.), shall be considered as destruction or damage of the object of insurance as a result of fire or explosion.

3.5 Shall be deemed insured event the ignition of household electrical appliances, electronic devices, tele-audio-video-radio equipment having caused their damage (deformation, melting) or destruction regardless of the reason, unless otherwise stipulated by the Contract/Policy. Moreover:

3.5.1 shall be understood under ignition the sudden combustion (open burning, flame) of components, household electrical appliance nodes, electronic devices, tele-audio-video-radio equipment as a result of



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- which the fire turns out to have damaged or destroyed their other components, nodes and blocks;
- 3.5.2** shall not be deemed insured event the burnout or failure (being out of order) of separate components, nodes and/or blocks, regardless of the cause.
- 3.6** The Contract/Policy shall not apply to the damage or destruction of objects of insurance which has occurred as a result of the circumstances covered by the warranty obligations.
- 3.7** Upon consent of the parties and for a fee specified in the Contract/Policy, the following insured risk may be included in the Contract/Policy: mechanical damage - occurrence of damage as a result of a sudden mechanical impact of unforeseen physical forces in the absence of a direct causal connection with the actions of the Insurant (Beneficiary) and/or with the events listed in clause 3.3.1 of the present Terms.
- 3.8** Upon consent of the parties and for a fee specified in the Contract/Policy, the Contract/Policy may provide a compensation of expenses for renting residential premises for the period of repair of the insured residential premises upon their damage as a result of events specified in clause 3.3.1 of the present Terms, or the combination thereof. Such expenses shall be compensated provided that the insured apartment is not suitable for permanent accommodation.
- 3.9** The Contract/Policy with respect to the insurance of civil liability may be concluded against causing of damage to life, health or property of others as a result of events, having occurred at the address (territory) of insurance, stipulated by the Contract/Policy, specified in clause 3.3.1 of the present Terms or the combination thereof. Also, upon consent of the Parties, may be covered the civil liability as a result of events, having occurred at the address (territory) of insurance, stipulated by the Contract/Policy, including those not specified in clause 3.3.1 of the present Terms ("extended" civil liability).
- 3.10** The civil liability of the Insurant (Insured person) may be insured in accordance with the following options of insurance:
- 3.10.1** for causing damage to life and health of others;
 - 3.10.2** for causing damage to property of others;
 - 3.10.3** for causing damage to property, life and health of others.
- 3.11** Shall not be deemed insured events the events having occurred as a result of:
- 3.11.1** direct or indirect impact of a nuclear explosion, radiation and radioactive contamination;
 - 3.11.2** military operations, exercise or other military activities, sabotage;
 - 3.11.3** civil war, riots of any kind, strikes, acts of terrorism;
 - 3.11.4** seizure, confiscation, requisition, arrest, destruction of or damage to the object of insurance by order of state authorities;
 - 3.11.5** rotting, corrosion or other natural processes of changing the properties of the object of insurance; property damage by fungi, worms, rodents, insects and other pests, as well as domestic animals;
 - 3.11.6** physical deterioration of the objects of insurance (constructions, equipment, materials), violations of regulatory terms of their use, manufacturing and construction deficiencies of insurance objects, constructive flaws of insurance objects, poor-quality installation works, unless otherwise stipulated by the Contract/Policy;
 - 3.11.7** treatment of the object of insurance with fire, heat and other thermal exposure on it (for example, drying, boiling, ironing, smoking, roasting, hot processing, beating, not arising as a result of fire (for instance, in case of placing the property near the sources of fire maintenance), etc.);
 - 3.11.8** penetration of precipitation into the objects of insurance, building or apartment where the insured property is located, through the roof, seams in panel houses, loggias, balconies, terraces, unclosed windows, doors, etc., as well as through the joints, cracks and holes made deliberately or caused by defects of construction or decay, unless otherwise stipulated by the Contract/Policy;
 - 3.11.9** smoke, melting of installed engineering electrical equipment and electrical wiring as a result of short circuit of electric current, insulation failures and other accidents and malfunctions of installed engineering electrical equipment and electrical wiring, provided it is not a consequence of exposure to insured risk, unless otherwise stipulated by the Contract/Policy;
 - 3.11.10** collapse (cave-in) not caused by exposure to insured risk;
 - 3.11.11** storage, manufacture and use of explosives and explosive devices, carrying out chemical and



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- physical experiments in the object of insurance belonging to the Insurant (Beneficiary);
- 3.11.12** accidental destruction of or damage to the insured object, unless otherwise stipulated by the Contract/Policy.
- 3.12** Shall not be deemed insured events the failure or termination of operation of household electrical appliances, electronic devices, tele-audio-video-radio equipment occurred as a result of the following, unless otherwise stipulated by the Contract/Policy:
- 3.12.1** natural disasters or their consequences having occurred outside the insurance location;
- 3.12.2** poor quality electricity supply (total disappearance of the network voltage, voltage dips, over-voltage, high-voltage spikes, frequency fluctuation, etc.);
- 3.12.3** short circuit of the electric network (twisting and bending the wires, breaking the insulation, damaging the hidden wiring, etc.).
- 3.13** Shall not be deemed insurance event the damage caused as a result of or during the repair (reconstruction) works.

4. PROCEDURE OF INSURANCE AMOUNT DETERMINATION

- 4.1** Insurance amount is the maximum amount of possible insurance benefits subject to payment by the Insurer.
- 4.2** The insurance amount relating to the property insurance shall be specified by agreement between the Insurer and the Insurant and shall not exceed the actual (insurance) value of the object of insurance at its location at the day of conclusion of the Contract/Policy. The actual (insurance) value of the property may be evaluated:
- 4.2.1** based on the Insurant’s declared value provided the documents confirming its amount are presented;
- 4.2.2** based on estimation of an independent estimator;
- 4.2.3** otherwise, upon consent of the parties.
- 4.3** Shall be understood as the actual (insurance) value of the object:
- 4.3.1** in the event of insurance of buildings, the value of construction (building) of the object of insurance minus the deterioration (in case of apartment insurance - the market value) and/or repair (restoration) costs, including the cost of separate materials and equipment (minus deterioration) and works performed at the moment of conclusion of the Contract/Policy;
- 4.3.2** in the event of insurance of household and/or other property – its value in the new state minus the deterioration percentage.
- 4.4** In case if the insurance amount, specified in the Contract/Policy, exceeds the actual (insurance) value of the property, the Contract/Policy shall be deemed void related to the part of the insurance amount that exceeds the actual (insurance) value. Overpaid part of the insurance premium shall not be subject to refund in this case.
- 4.5** Upon agreement between the Insurer and the Insurant, the insurance amount may be set as a lump sum for a group of objects of insurance, for one object of insurance, or as a separate amount for elements (articles) of the object of insurance.
- 4.6** During the validity period of the Contract/Policy, the Insurant shall be entitled to submit an application for an increase of the insurance amount (insurance of newly constructed buildings (constructions) or buildings (constructions) not included in the main contract, increase of the insurance amount for the household property, increase of the insurance amount after the payment of the insurance benefits) within the actual value of the objects of insurance. In this case, a complementary Contract/Policy shall be concluded for a term remaining until the expiration of the main Contract/Policy. The total insurance amount under the main and supplementary Contracts/Policies shall not exceed the actual (insurance) value of the objects of insurance.



4.7 The insurance amount for the civil liability insurance shall be set by agreement of the parties. Upon conclusion of the Contract/Policy, the insurance amount may be set:

4.7.1 for causing damage to others' life and health;

4.7.2 for causing damage to others' property;

4.7.3 for causing damage to others' property, life and health.

4.8 The insurance amount shall be set in Armenian drams. Upon agreement between the Insurer and the Insurant, insurance amounts may be specified in the Contract/Policy in foreign currency, which corresponds to equivalent amounts in Armenian drams (hereinafter referred to as insurance in foreign currency equivalent to Armenian drams).

4.9 The Contract/Policy may specify the maximum amount of insurance benefits: per single insured event, per single insured risk, for single object as well as the damage caused to the life or health and/or property of a single person.

4.10 The insurance amount for each piece of glass, crystal or other fragile items shall not exceed 300,000 (three hundred thousand) Armenian drams unless otherwise stipulated by the Contract/Policy.

4.11 The insurance amount for each piece of paintings, unique and antique items, items made of precious metals, precious, semi-precious and ornamental stones shall not exceed 300,000 (three hundred thousand) Armenian drams unless otherwise stipulated by the Contract/Policy.

4.12 After payment of insurance benefits, the insurance amount for a given object shall be reduced by the amount of the payment made, unless otherwise stipulated by the Contract/Policy or in the event the Insurant does not restore the insurance amount after receiving the insurance benefits. Each subsequent benefit shall be paid in proportion to the ratio between the insured amount, reduced in relation to the amount of damage, and the insured amount specified in the Contract/Policy.

5. INSURANCE TERM

5.1 The (main) Contract/Policy shall be concluded for a one-year term unless otherwise stipulated by the Contract/Policy.

5.2 The start and the end of the Contract/Policy validity period shall be specified by the Contract/Policy.

5.3 The (main and supplementary) Contract/Policy shall enter into from the moment of its signing unless otherwise stipulated therein.

5.4 The validity period of the Contract/Policy shall expire:

5.4.1 of the main contract – at 23:59 of the last day of the Contract/Policy validity period or at 23:59 of the last day of the full years, months and days for which the Contract/Policy was concluded;

5.4.2 of the supplementary contract – simultaneously with the expiration of the validity period of the main Contract/Policy.

5.5 In the event of conclusion of a Contract/Policy for a new term before expiration of the validity period of the previous Contract/Policy, the new (renewed) Contract/Policy shall enter into from the moment of expiration of the validity period of the previous Contract/Policy.

6. PROCEDURE OF INSURANCE RATE, INSURANCE PREMIUM, INSURANCE CONTRIBUTION DETERMINATION

6.1 The insurance rate is the insurance premium rate per unit of insurance amount, taking into account the object of insurance and the nature of the insured risk. The insurance rate shall be expressed in per cents or in Armenian drams per 100 AMD of the insurance amount.

6.2 The exact amount of the insurance rate shall be set by the Insurer in the Contract/Policy based on the volume of commitments according to the agreed insurance terms, term of insurance, procedure of insurance premium payment, location, type of the object of insurance and other factors affecting the level of the insured risk.



6.3 The insurance premium shall be calculated by the Insurer for the whole term of insurance based on the insurance amount under the Contract/Policy and the amount of the insurance rate.

6.4 The insurance premium under the Contract/Policy shall be paid by the Insurant in a lump sum and for the whole period of insurance unless otherwise stipulated by the Contract/Policy.

6.5 The insurance premium may be paid by the Insurant in cash at the cash desk of the Insurer, to the Insurer's authorised representative or in cashless form - to the Insurer's bank account. The insurance premium (insurance contribution) shall be deemed paid on the day of payment of the insurance premium (insurance contribution) at the cash desk of the Insurer or to the Insurer's authorised representative or the day the insurance premium (insurance contribution) was transferred on the Insurer's bank account.

6.6 In the event the Insurant does not pay the insurance premium (insurance contribution) according to the term and amount stipulated in the Contract/Policy, the Insurer shall be entitled not to set an additional term for payment of the insurance premium and not to notify the Insurant about it. In the event the additional term of payment of the insurance premium is not set and the Insurant is not notified about it, the Insurer shall be entitled to refuse to pay the benefits for the damage caused as a result of events occurred after 00:00 of the day following the day specified in the Contract/Policy as the day of payment of the insurance contribution.

6.7 The insurance premium may be paid by a person not having any rights to the object of insurance. In this case that person shall not assume obligations and shall not acquire rights under the Contract/Policy.

6.8 In the event of insurance in foreign currency equivalent to Armenian drams, the insurance premium shall be paid in Armenian drams unless otherwise stipulated by the Contract/Policy, as per the exchange rate published by RA Central Bank on the day of conclusion of the Contract/Policy.

7. CONTRACT/POLICY, PROCEDURE OF ITS CONCLUSION, PERFORMANCE, TERMINATION, AMENDMENT AND MODIFICATION

7.1 The Contract/Policy shall be concluded by the Insurer in writing based on an oral or written application of the Insurant.

7.2 In accordance with the Contract/Policy concluded based on the present Terms, the Insurer undertakes, for a payment (insurance premium) specified in the Contract/Policy, to pay insurance benefits to the Insurant (Beneficiary) within the limits of the insurance amount specified in the Contract/Policy in the event of occurrence of an insured event, specified in the Contract.

7.3 Upon conclusion of the Contract/Policy, the Insurer shall be entitled to inspect the object of insurance. Shall be verified during the inspection in the presence of the Insurant the existence of the objects of insurance as well as existence of factors affecting the level of insured risk.

7.4 Upon the Insurant's request, may be insured all the objects of insurance or groups of objects of insurance or separate objects of insurance belonging to the Insurant and his family members.

7.5 Shall be deemed family members the husband, wife, parents, children and other people, prescribed by the legislation, having personal non-property and property relations (living together at the same address, having a common household, common family budget, sharing food, common use of household items and appliances, joint participation in their acquisition).

7.6 Upon conclusion of the Contract/Policy and upon agreement between the Insurer and the Insurant, a deductible amount may be set – amount of damage, the obligation to compensate which is borne by the Insurant. The deductible amount may be conditional or unconditional and be set either in percents to the insurance amount or in absolute amount:

7.6.1 in the event unconditional (reduced) deductible amount is set, the damage shall in all cases be compensated, minus the deductible for each insured event;

7.6.2 in the event conditional (non-reduced) deductible amount is set, the Insurer shall not assume obligation to compensate the damage not exceeding the deductible amount but shall completely



compensate the damage, if the latter exceeds the deductible amount.

7.7 The Contract/Policy regarding the interior decoration and engineering equipment of the building (apartment), the household or other property may, upon the parties' consent, be concluded containing a clause on replacement of the insurance benefits in monetary terms with provision of property similar to the lost one within the insurance amount.

7.8 The Contract/Policy shall cease to have effect in the following cases:

7.8.1 full performance by the Insurer of the obligations under the Contract/Policy to the Insurant (Beneficiary);

7.8.2 in case if after it has entered into, the possibility of occurrence of the insured event disappeared, and the insured risk ceased to exist due to circumstances other than the insured event.

7.8.3 liquidation of the Insurer or withdrawal of its license;

7.8.4 death of the Insurant being a natural person; liquidation of the Insurant being a legal entity;

7.8.5 in other cases provided by the RA legislation or the Contract/Policy.

7.9 The Contract/Policy may be terminated in the following cases:

7.9.1 upon agreement of the parties;

7.9.2 upon the Insurant's initiative;

7.9.3 upon the Insurer's initiative in the event of a material breach of the Contract/Policy by the Insurant;

7.9.4 upon the Insurant's initiative in the event of a material breach of the Contract/Policy by the Insurer;

7.9.5 in other cases provided by the Contract/Policy and the RA legislation.

7.10 The parties shall notify each other on the intention to terminate the Contract/Policy at least 15 (fifteen) days prior to the assumed day of termination of the Contract/Policy, unless otherwise stipulated by the Contract/Policy.

7.11 The Insurant being a natural person shall be entitled to unilaterally terminate the Contract/Policy without any reasoning within 7 (seven) days after its conclusion (hereinafter referred to as reflection period).

7.12 Reflection period shall not apply in the following cases:

7.12.1 the validity period of the Contract/Policy and/or the validity period of insurance stipulated by the Contract/Policy does not exceed 1 (one) month,

7.12.2 the Insurant being a natural person submitted an application to obtain insurance benefits within 7 (seven) days following the conclusion of the Contract/Policy.

7.13 In the event of termination of the Contract/Policy in accordance with clause 7.11 of the present Terms, the Contract/Policy shall be deemed terminated on the day following the day the Insurant being a natural person notified the Insurer about termination of the Contract/Policy.

7.14 in the event of termination of the Contract/Policy in relation to a specific insured object under the provisions of sub-clause 7.9.2 of clause 7.9 and clause 7.11., shall be deduced from the insurance premium, subject to refund, the expenses in connection with performance of the Insurer's obligations related to the insured object, at a rate of 20 (twenty) per cent, and the insurance benefits as per the following formula, unless otherwise stipulated by the Contract/Policy:

$$SR = TP * RP / VP - TP * 0.2$$

SR – insurance premium subject to refund;

TP – total insurance premium under the Contract/Policy;

RP – remaining validity period of the Contract/Policy;

VP – validity period of the Contract/Policy.

In the event of termination of the Contract/Policy under the provisions of sub-clause 7.9.2. of clause 7.9. of the present Terms, in case if at the moment of termination or early termination of the Contract/Policy the Insurer paid the insurance benefits and/or received a claim on payment of the insurance benefits for the insured objects, refund of the insurance premium to the Insurant for the unexpired insurance period



shall not be performed unless otherwise stipulated by the Contract/Policy.

7.15 Upon cease of existence of the Contract/Policy in relation to one of the objects of insurance and replacements with another similar object of insurance, the expenses in connection with performance of the Insurer’s obligations related to the insured object, at a rate of 20 (twenty) per cent, and the insurance benefits may not be deduced from the insurance premium subject to refund.

7.16 In the event of termination of the Contract/Policy under the provisions of sub-clause 7.9.4. of clause 7.9. of the present Terms, the expenses in connection with performance of the Insurer’s obligations in relation to the insured object shall not be deduced from the insurance premium subject to refund unless otherwise stipulated by the Contract/Policy.

7.17 In the event of termination of the Contract/Policy under the provisions of sub-clause 7.9.3. of clause 7.9. of the present Terms, the insurance premium paid to the Insurer by the Insurant shall not be subject to refund unless otherwise stipulated by the Contract/Policy.

7.18 In case of termination or early termination of the Contract/Policy, when the consequences of such a termination or early termination are not specified by the present Terms and/or the Contract/Policy and/or the RA legislation, the insurance premium paid to the Insurer by the Insurant shall not be subject to refund unless otherwise stipulated by the Contract/Policy.

7.19 In case if the calculation of the amount of money subject to refund to the Insurant results in a negative numerical value, the amount subject to refund shall be set at zero (the insurance premium shall not be refunded).

7.20 In the event of termination of the Contract/Policy under the provisions of sub-clause 7.9.1. and 7.9.2. of clause 7.9. of the present Terms, other rules of insurance premium calculation subject to refund may be stipulated upon termination or early termination of the Contract/Policy.

7.21 In the event of early termination of the Contract/Policy concluded in foreign currency equivalent to Armenian drams, the insurance premium shall be refunded to the Insurant in Armenian drams unless otherwise stipulated by the Contract/Policy, as per the given currency’s exchange rate published by RA Central Bank on the day the Insurant’s application on early termination of the Contract/Policy was received, but not exceeding 10 (ten) per cent deviation from the exchange rate published by RA Central Bank on the day of conclusion of the Contract/Policy.

7.22 Upon conclusion of the Contract/Policy the Insurer and the Insurant may agree to include additional provisions and reservations, exclude certain risks which shall be subject to a corresponding record in the Contract/Policy.

7.23 In the event of death of the property owner prior to the expiry of the Contract/Policy validity period, his legitimate heirs shall complete an application on acceptance of obligations under the Contract/Policy for renewal of the Contract/Policy. In the event of occurrence of the insured event the Insurer’s obligation to pay the insurance benefits under such a contract shall occur only upon submitting the document certifying the right of property.

Characteristics of buildings (apartments) insurance

7.24 The Contract/Policy on buildings (apartments), interior decoration, building (apartment) equipment may be concluded under the following conditions:

7.24.1 compensation of expenses related to restoration (repair) of the object of insurance in the event of damage to the property “taking into account depreciation” (during the period of use);

7.24.2 compensation of expenses related to restoration (repair) of the object of insurance in the event of damage to the property “without taking into account depreciation” (during the period of use);

7.25 Buildings including structures of household and other purpose shall be deemed insured on the land at the address (territory) specified in the Contract/Policy. Apartments shall be deemed insured at the address (territory) of insurance specified in the Contract/Policy.

7.26 In the event the insured amount specified in the Contract/Policy is below the actual (insurance) value of the object of insurance, the Contract/Policy on buildings (apartment), interior decoration,



equipment shall be deemed concluded under condition of “proportional” compensation, i.e. the insurance benefits in the event of damage to the building (apartment) shall be calculated in proportion to the ratio between the insurance amount and the actual (insurance) value. Upon the parties’ consent the Contract/Policy may be concluded under condition of insurance benefits for the “first risk”, i.e. the insurance benefits in the event of damage to the building (apartment) shall be calculated as per the amount of damage but within the insured amount. That is, a maximum amount of benefits shall be set, and in the event the amount of damage exceeds the maximal amount of the specified benefits, the part exceeding this amount shall not be paid.

Characteristics of household and/or other property insurance

7.27 Depending on the purpose and volume of the insurance amount, household and/or other property may be insured under provisions of the “general” and/or “special” Contract/Policy.

7.28 Under the “general” Contract/Policy on household property the objects of insurance may be insured:

7.28.1 in total insurance amount without breakdown of the objects of insurance in groups;

7.28.2 with breakdown of the insurance amount in groups of objects of insurance. The Contract/Policy shall be concluded in relation to the liability for all or separate insured risks (as per Insurance options specified by the present Terms).

7.29 “General” Contract/Policy may be concluded with or without inventory of the objects of insurance. The inventory of the objects of insurance may be drawn up per item, per group of objects of insurance or per group of objects of insurance with inventory of separate item.

7.30 Household property and/or other property shall be deemed insured:

7.30.1 in the building (apartment) and household structures located at the address (territory) of insurance specified in the Contract/Policy. Moreover, the Insurant’s (Beneficiary’s) property located in a barn, basement or other structure constituting an auxiliary structure to the apartment shall not be deemed insured under the Contract/Policy on apartment property.

7.30.2 at other address (territory) of insurance specified in the Contract/Policy.

7.31 “Special” Contract/Policy shall be concluded with mandatory inspection and inventory of objects of insurance regardless of the volume of the insurance amount. It shall be specified in the inventory separately for each insurance object: full name, main characteristics, insurance amount.

7.32 Shall be subject to insurance under provisions of the “special” Contract/Policy:

7.32.1 household and/or other property at temporary (storage) location: on a business trip, vacation, at an exhibition, the Insurant’s (Beneficiary’s) location, etc.;

7.32.2 household and/or other property held in custody, pledged, etc.

7.33 Upon agreement between the Insurer and the Insurant, the objects of insurance or groups of objects of insurance insured under “general” Contract/Policy may be insured under the “special” Contract/Policy.

7.34 Under provisions of the “special” Contract/Policy, upon the parties’ agreement, other property located on land (outdoor) may be insured: building materials intended for construction (repair) of the building (apartment), bath, garage, etc.; set of landscape architecture elements, small architectural forms; other property of significant value for the Insurant (Beneficiary).

7.35 If the household and/or other property is taken out of the building (apartment) and household structures located at the address (territory) specified in the Contract/Policy, the insurance cover regarding that property shall not apply until return of that property on the territory of insurance unless otherwise stipulated by the Contract/Policy.

7.36 Objects of insurance temporarily left unattended on the territory of insurance by the Insurant (Beneficiary) and/or members of his family for more than 30 (thirty) calendar days shall be deemed insured only against fire, including exposure to combustion products, as well as water (foam) and other means used in fire extinguishing; lightning strike not having caused fire, explosion, earthquake (upon existence of a special notice in the Contract/Policy relating to the insurance of this risk); impact of vehicles and/or collision with an animal; fall of trees, aircrafts, their parts or cargo on the object of



insurance, unless otherwise stipulated by the Contract/Policy.

8. RIGHTS AND OBLIGATIONS OF THE PARTIES TO THE CONTRACT/POLICY

8.1 The Insurer shall be obliged:

8.1.1 to introduce the present Terms to the Insurant upon conclusion of the Contract/Policy, clarify the procedure of conclusion of the Contract/Policy, provide the Insurant with the Terms, Contract/Policy;

8.1.2 to make a decision on recognition or non-recognition of the event having characteristics of an insured event as an insured event and on payment of insurance benefits or refusal to pay insurance benefits within 5 (five) working days after receiving all the documents required for the claim settlement;

8.1.3 in the event a decision is made to recognise the event having characteristics of an insured event as an insurance event, to pay the insurance benefits within 5 (five) working days after the day the relevant decision was made, and in case of refusal to pay the insurance benefits, to send the reasoned decision made via a registered letter to the Insurant's (Beneficiary's) address of permanent residence within 5 (five) calendar days;

8.1.4 not to disclose data on the Insurant, Insured person, Beneficiary, their property status, except for cases stipulated by the RA legislation.

8.2 The Insurer shall have the right:

8.2.1 to verify the compliance of the information on the object of insurance provided by the Insurer with factual circumstances, compliance with the rules and regulations on maintenance and use of the object of insurance as well as with provisions of the Contract/Policy within the period of its validity;

8.2.2 to require change of provisions of the Contract/Policy and/or payment of additional insurance premium upon existence of circumstances changing the provisions of the concluded Contract/Policy, and such factors that may substantially affect the increase of risk level of destruction, damage or loss of the object of insurance (including repair, reconstruction of buildings, structures, malfunction of alarm systems, loss of keys and/or damage to locks, keys of the insurance territory). The Insurer shall be obliged to inform the Insurant in advance about its intention to make changes as well as about the Insurant's right to immediately terminate the Contract/Policy in case if the latter does not agree with the changes. In the event the Insurant (Beneficiary) opposes the change of provisions of the Contract/Policy and/or payment of additional insurance premium, the Insurer shall be entitled to require termination of the Contract/Policy and compensation of expenses caused by termination of the Contract/Policy;

8.2.3 to submit a written request to the Insurant to provide information in writing about the probability of occurrence of insured event and occurrence of circumstances having substantial significance for determination of the amount of potential damage as a result of an insured event, known to the Insurant;

8.2.4 to require considering the Contract/Policy invalid in the event after conclusion of the Contract/Policy it will be established that the Insurant deliberately provided the Insurer with false information about the probability of occurrence of the insured event and occurrence of circumstances having substantial significance for determination of the amount of potential damage as a result of an insured event, known to the Insurant;

8.2.5 to give instructions binding on the Insurant (Beneficiary) and to take measures required for the decrease of the amount of damage and determination of circumstances, reasons of the event, potential guilty persons;

8.2.6 once within the validity period of the Contract/Policy, to make a decision on payment of insurance benefits without requesting documents from competent authorities in the event the amount of damage does not exceed 5 (five) percent of the total insurance amount specified by the Contract/Policy, or three hundred times the minimum wage as per the RA legislation, on the day of conclusion of the



Contract/Policy whichever value is lower, provided the circumstances, reason of insurance event, amount of damage and absence the Insurant's (Beneficiary's, Insured person's) intention do not cause the Insurer's doubts based on its own inspection;

8.2.7 to postpone making the decision on recognition or non-recognition of the claimed event having characteristics of an insurance event, as an insured event in the event a criminal investigation has been initiated on destruction, damage or loss of the object of insurance or damage to the life, health and/or property of others until receipt of the document containing information about circumstances and/or reasons of the insured event and/or amount of damage;

8.2.8 to carry out its own investigations in order to make a decision on insurance benefits with the involvement of experts at its own discretion;

8.2.9 to shorten, at its own discretion, the list of documents required for the Insurant (Beneficiary) to submit (for example, confirming the fact, reasons and circumstances of occurrence of the insured event, amount of damage, etc.);

8.2.10 to perform other actions in order to fulfil its obligations under the Contract/Policy;

8.2.11 to perform processing (in accordance with the legislation on personal data) of the personal data provided by the Insurant upon conclusion of the Contract/Policy (including their distribution, use, storage and provision to third parties) for the purposes of insurance, provision of information about insurance products and products of its partners, including through direct contact with the Insurant by means of communication, for other purposes not prohibited by the legislation, unless otherwise stipulated by the Contract/Policy;

8.2.12 to refuse to pay the insurance benefits in the event the Insurant (Beneficiary) did not inform the Insurer about the event having characteristics of an insured event within 48 (forty-eight) hours from the moment when the Insurant (Beneficiary) became aware of that event.

8.3 The Insurant shall be obliged:

8.3.1 to pay the insurance premium (insurance contribution) as per the amounts and terms specified by the Contract/Policy;

8.3.2 upon conclusion of the Contract/Policy, to provide the Insurer in writing with information about the known probability of occurrence of the insured event and occurrence of circumstances having substantial significance for determination of the amount of potential damage as a result of the insured event as well as about all concluded contracts of insurance and contracts being concluded related to the object of insurance;

8.3.3 within the Contract/Policy validity period, immediately but in any case no later than during 3 (three) working days from the moment the Insurant (Beneficiary) became aware of it, to inform the Insurer in writing about the changes of circumstances communicated to the Insurer upon conclusion of the Contract/Policy that became known to him if those changes may significantly affect the increase or decrease of the insured risk (except for the case specified in clause 1.4);

8.3.4 to comply with fire safety rules and regulations, technical operation rules, manufacturer's instructions, sanitary and technical requirements stipulated by the RA regulatory legal acts and ensuring the preservation and feasibility of the object of insurance, to ensure the impossibility of free access to the territory of insurance (locked doors, closed windows, etc.), to timely perform the required repair and maintenance works. This requirement also applies to the Beneficiary, the Insurant's (Beneficiary's) family members;

8.3.5 to eliminate, within the term agreed with the Insurer, the circumstance substantially increasing the insured risk level, the necessity to eliminate which was indicated to the Insurant (Beneficiary) in writing by the Insurer;

8.3.6 upon occurrence of an event having characteristics of an insured event (in the event of the Insurant's (Beneficiary's) absence, the adult members of his family living with him or his employees):

8.3.6.1 to take all possible reasonable and available under those circumstances measures in order to prevent further damage to the object of insurance and to reduce damage;

8.3.6.2 in coordination with the Insurer's representative, to apply to relevant organizations: law



enforcement authorities, fire services, relevant emergency service authorities and other organizations in order to obtain information on circumstances, reasons of the event having characteristics of an insured event, amount of damage caused;

8.3.6.3 to inform the Insurer about the event having characteristics of an insured event within 48 (forty-eight) hours from the moment the Insurant (Beneficiary) became aware of that event;

8.3.6.4 to immediately inform the relevant competent authorities about the event having characteristics of an insured event within 48 (forty-eight) hours from the moment when the Insurant (Beneficiary) became aware of that event (to Police of Armenia (burglary, robbery, deliberate destruction (damage) of property by others); to the Fire Service of Armenia (fire, explosion, lightning), to other bodies authorized to determine the reasons and circumstances of destruction, damage or loss of property), to relevant competent authorities of another country (in the event the Contract/Policy provided for removal of property from the territory of insurance and the insured event occurred outside the RA territory);

8.3.6.5 to preserve the damaged object of insurance for its inspection, provide the Insurer's representative with access to the insurance territory and take part in drawing up the act by the Insurer's representative;

8.3.6.6 if possible, to submit a dully completed claim against persons responsible for causing damage and provide the Insurer with all the documents required for exercise of the right of claim against the guilty persons;

8.3.6.7 to submit documents which:

8.3.6.7.1 confirm the existence of the Insurant's (Beneficiary's) property interest (certificate of registration of real estate ownership (right to use), contract of sale or lease, etc.);

8.3.6.7.2 were provided by relevant authorities confirming the fact of occurrence and circumstances of the claimed event;

8.3.6.7.3 confirm the Insurant's expenses: contract and/or invoice, cash receipt and/or cash register machine receipt when paying in cash, bank payment order in the event of non-cash payment.

8.4 The Insurant shall have the right:

8.4.1 to obtain insurance benefits in cases stipulated by the Contract/Policy and the present Terms;

8.4.2 to submit an application on change of insurance terms, additional insurance and/or increase of the insurance amount;

8.4.3 in the event of loss of Contract/Policy within its validity period, to obtain upon submission of a written application a duplicate from the Insurer. After provision of the duplicate the lost Contract/Policy shall be deemed void;

8.4.4 to early terminate the Contract/Policy as prescribed by the RA legislation;

8.4.5 in the event of refusal to pay the insurance benefits, to obtain from the Insurer a reasoned justification of that decision.

8.5 Beneficiaries shall have the right to obtain insurance benefits and perform the Insurant's obligations under the Contract/Policy.

8.6 The Insurant, having concluded the Contract/Policy with the Insurer under the provisions of the present Terms, confirms his consent on processing by the Insurer of the Insurant's following personal data for insurance purposes related to the Contract/Policy, including for purposes of provision of insurance services related to the contract, settlement of damages, verification of contract administration quality as well as for purposes of informing the Insurer about the Insurer's other products and services.

The Insurant's personal data shall include: last name, first name, patronymic, year, month, day and place of birth, passport details, residential address, other data specified in the Contract/Policy concluded with the Insurer (including its integral parts – insurance claim, appendix, etc.) which can be classified as personal data in accordance with the RA legislation.

The provisions of the present clause of the Terms of insurance specified above shall also apply to the Beneficiary/Insured person in the event of latters' written consent on processing by the Insurer of personal data.

9. PROCEDURE OF DAMAGE AMOUNT DETERMINATION AND INSURANCE BENEFITS



PAYMENT

9.1 The amount of actual damage shall be determined by the Insurer taking into account the estimates, reports, acts, statements and other documents obtained from relevant competent authorities/persons and required for the decision on insurance benefits.

9.2 Shall be deemed relevant competent authorities/persons specified in clause 9.1 of the present Terms the Police of Armenia (in the event of burglary, robbery, deliberate destruction (damage) of property by other persons); the Fire Service of Armenia (in the event of fire, explosion, lightning), condominium (in the event of water damage); other bodies authorized to determine the reasons and circumstances of destruction, damage or loss of the property); relevant competent authorities of another country (in the event the Contract/Policy provided for removal of property from the territory of insurance and the insurance event occurred outside the RA territory); independent experts.

9.3 In order to calculate the amount of insurance benefits, actual damage shall be understood as property losses caused by damage or destruction of property (its parts) as a result of exposure to insured risks.

9.3.1 “Destruction” of object of insurance insured under the Contract/Policy shall be understood as its irrevocable loss as a result of exposure to insurance risks;

9.3.2 “Damage” of object of insurance insured under the Contract/Policy shall be understood as such a deterioration of its quality characteristics that can be brought, by repair, to a condition fit to use for original purpose, and the expenses of its recovery as per the prices at the moment of occurrence of the insured event do not exceed 75 (seventy-five) per cent of the actual value of the object of insurance. In other cases the object shall be deemed destroyed.

9.4 Shall not be included in the actual damage the expenses made to improve the object of insurance compared to the state in which it used to be before the occurrence of the insured event as well as lost profits and non-pecuniary damages. In the event of absence of certificate of completion of works, shall not be included all the indirect expenses including overhead costs and estimated profit related to the construction management, organization of construction production and service of its employees.

9.5 In the event of destruction or loss of the object of property insurance, shall be understood under actual damage the loss equal to sum of insurance amount of the object of insurance minus the value of the remaining fit for their intended use and sale taking into account the impairment and adding the documented expenses related to reduction or prevention of damage related to the occurrence of the insured event if those expenses are considered necessary or were made as per the Insurer’s instructions (water pumping, strengthening of damaged parts, etc.).

9.6 Expenses related to reduction and prevention of the damage related to the occurrence of the insured event, shall be compensated in proportion to the ratio between the insured amount and the actual (insurance) value of the object of insurance regardless of the fact that along with the compensation of the actual damage they may exceed the insurance amount.

9.7 In the event of damage of the object of property insurance, the amount of actual damage shall be equal to the expenses made for its repair (restoration), minus depreciation and impairment, in order to restore the value of the object of insurance in the state corresponding to its value at the time immediately before the occurrence of the insured event, taking into consideration depreciation and.

In the event the Contract/Policy on building (apartment), interior decoration and engineering equipment is concluded with the condition of compensation of the expenses of repair (restoration) of the object of insurance “without taking into account depreciation” (during the period of use), the depreciation shall not be taken into account when determining the actual damage.

When determining the amount of the actual damage, garbage disposal and dismantling expenses and loss settlement expenses shall also be taken into account which shall not exceed 10 (ten) per cent of the insurance amount of the object of insurance, unless otherwise stipulated by the Contract/Policy.

9.8 The amount of the actual damage shall be determined by the Insurer separately for each object of property insurance, except for cases of destruction (loss) of the property.

9.9 The amount of the actual damage in the event of destruction, damage or loss of the property belonging to the Insurant (Beneficiary) may be calculated:

- 9.9.1** by recalculating the values based on collections of indicators to assess the value of buildings approved by the executive authorities, taking into account the correction coefficients for prices existing at the moment of occurrence of the insured event;
- 9.9.2** based on percentage of the value of the structure’s (apartment’s) elements (specific weights) agreed, upon conclusion of the Contract/Policy, for each object of insurance. In the event of absence of a breakdown of insurance amounts per structure within the main building, the amount of the actual damage shall be determined based on the total insurance amount for the main building;
- 9.9.3** based on average market prices for building materials, rates of work and delivery of materials existing at the moment of occurrence of the insured event at the location of the object of insurance;
- 9.9.4** based on estimates, acts of performance of works and other documents drawn up by independent experts by agreement between the Insurer and the Insurant;
- 9.9.5** based on other assessment standards approved by the Insurer: documents, invoices and rates of specialized organizations on expenses related to repair (restoration) of destructed, damaged or lost objects of insurance (calculations, estimates, receipts, bills and other documents).
- 9.10** In the event the property includes such objects of insurance, the actual (insurance) value of which is unknown, their actual damage shall be determined based on the actual value of a similar property at the moment of occurrence of the insured event.
- 9.11** In the event the insurance value of the object of insurance is not specified upon conclusion of the Contract/Policy, the amount of insurance benefits shall be calculated based on insurance value subject to determination by the Insurer’s representative or independent expert. In the event the Insurant opposes such an assessment of the insurance value, the Insurant shall undertake the obligation to prove the insurance value.
- 9.12** The deterioration percentage of the object of insurance shall be determined based on the type of object of insurance, time of construction (purchase, year of release), degree of exploitation and actual state or based on assessment organization’s documents or based on calculations made by the Insurer.
- 9.13** Deterioration percentage shall not be taken into account in the following cases:
- 9.13.1** in the event the Contract/Policy on buildings (apartments), interior decoration, equipment is concluded under condition of compensation of expenses related to restoration (repair) of the object of insurance “without taking into account deterioration” (during period of use);
- 9.13.2** destruction or loss of all household property items or groups of household property items (grouping in accordance with clause 7.28.2 of the present Terms);
- 9.13.3** destruction, damage or loss of collections, paintings, unique and antique items insured as per their value as assessed by a competent organization;
- 9.13.4** destruction, damage or loss of exotic houseplants, trees, ornamental flower cultures;
- 9.13.5** destruction, damage or loss of building and finishing materials for building (construction) of buildings, current (major) repair of the building, apartment;
- 9.13.6** destruction, damage or loss of firewood, hay.
- 9.14** Insurance benefits for destruction, damage or loss of household and/or other property shall be paid to the Insurant (Beneficiary) by the Insurer equal to the amount of actual damage but within the insurance amount specified by the Contract/Policy, taking into account the provisions of the Contract/Policy (insurance taking into account deterioration, deductible amount).
- 9.15** Insurance benefits for the object of insurance insured under condition of compensation “proportionally” or “for the first risk” shall be determined taking into account the clause 7.26 of the present Terms.
- 9.16** In the event of destruction, damage or loss of separate items of household property, the amount of insurance benefits shall be determined as the amount of the actual damage but no more than 20 (twenty) per cent of the insurance amount under the general Contract/Policy on household property for each item of household property which shall not exceed 300,000 (three hundred thousand) Armenian drams, if no inventory of household items per item in total insurance amount was drawn up upon conclusion of the



Contract/Policy. In the event of partial inventory, the specified limitation for each item of household property from insurance amount under general Contract/Policy shall not apply to separately inventoried items.

9.17 In the event of insurance of civil liability for damage to life and health of others the insurance benefits shall be equal to the total amount of damage caused but within the insurance amount (maximum insurance benefits) specified by the Contract/Policy. Full amount of damage compensation shall include documented: medical expenses for restoring the health of others; burial expenses; damage settlement expenses but no more than 10 (ten) per cent of the insurance amount.

9.18 Compensation of damage caused to the life and health of others under insurance of civil liability shall be paid in lump sum based on copies of incapacity sheets, medical reports, invoices, receipts on the amount of expenses associated with the treatment and purchase of prescription drugs, documents on the amount of expenses associated with the burial as well as other documents depending on the volume and nature of the damage caused.

9.19 In the event of insurance of civil liability, the amount of damage caused to others' property shall be determined as per the procedure specified by the Terms of insurance for determination of the actual damage under property insurance, taking into account deterioration for the whole period of property use.

9.20 Insurance benefits under insurance of civil liability shall be paid to persons whose lives, health or property was damaged (Beneficiaries).

In the event of the Beneficiary's death, insurance benefits shall be paid to his heirs after submission of corresponding documents on the entry into the right of inheritance of the amount of insurance benefits. Beneficiary's burial expenses shall be compensated to the person who bore such expenses.

9.21 In the event of insurance in foreign currency equivalent to Armenian drams, insurance benefits shall be paid in Armenian drams unless otherwise stipulated by the Contract/Policy, as per the exchange rate published by RA Central Bank on the day of occurrence of the insured event but not exceeding 10 (ten) per cent deviation from the exchange rate published by the Central Bank on the day of conclusion of the Contract/Policy.

9.22 The total amount of insurance benefits for all insured events under the Contract/Policy (including garbage disposal and dismantling expenses and loss settlement expenses as per clause 9.17 of the present Terms) shall not exceed the insurance amount (except for the cases specified in clause 9.6 of the present Terms).

9.23 In the event the Insurant (Beneficiary) and the Insurer failed to reach an agreement on the amount of insurance benefits after occurrence of the insured event, as well as upon request of one of the parties to determine the amount of the actual loss (damage), an examination may be appointed at the interested party's expense. In the event the Insurant (Beneficiary) opposes the results of the examination, the amount of insurance benefits may be determined by a court decision.

9.24 The insurance benefits paid shall be subject to refund to the Insurer by the Insurant (Beneficiary) in the event the damage is compensated in full (in monetary terms, in nature) by the guilty persons or it is subject to compensation by a person (not the Insurant (Beneficiary)) responsible for the damage caused by court decision (judgement). In the event of return of stolen property, the insurance benefits are subject to refund to the Insurer by the Insurant (Beneficiary) minus the expenses related to its restoration (repair).

9.25 In the event the damage is compensated partially by the guilty party and less than the amount of insurance benefits due, the Insurer shall pay the insurance benefits to the Insurant (Beneficiary) equal to the amount corresponding to the part of the damage not compensated by the guilty party but within the insurance amount.

9.26 Insurance benefits shall be deemed paid on the day of payment from the Insurer's cash desk or the day of withdrawal of the insurance compensation sum from the Insurer's bank account.

9.27 The right of claim that the Insurant (Beneficiary) has against the person responsible for the damage caused shall be transferred to the Insurer having paid the insurance benefits, within the paid amount (subrogation).

9.28 The claim specified in clause 9.27 of the present Terms shall not be submitted:



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- 9.28.1** against the Insurant’s (Beneficiary’s) family member;
- 9.28.2** against the Insurant insured under another insurance contract who is subject to insurance benefits for the same insured event by the same Insurer.
- 9.29** In the event a provision on maximal amount of insurance benefits is included in the Contract/Policy: per single insured event, per single insured risk, per single object as well as for the damage caused to life or health and/or property of a single person, insurance benefits shall be paid taking into account the limitations specified by the Contract/Policy.
- 9.30** In the event of conclusion of the Contract/Policy with application of unconditional deductible amount (as a per cent rate to the insurance amount or in absolute terms), the amount of insurance benefits shall be calculated by deducting the deductible amount from the actual damage amount (in case if the Contract/Policy is concluded under condition of “proportional” compensation, the deductible amount shall be deducted from the amount of the actual damage, calculated in proportion to the ratio between the insured amount and the actual (insurance) value).
- 9.31** In the event of conclusion of the Contract/Policy with application of condition deductible amount (as a per cent rate to the insured amount or in absolute terms):
- 9.31.1** damage shall be compensated in full if it exceeds the deductible amount;
- 9.31.2** the damage not exceeding the deductible amount shall not be compensated.
- 9.32.** The Insurer being a natural person shall not be entitled to claim insurance benefits for the insured event occurred during the reflection period if he did not inform the Insurer about it and if after occurrence of that event the Insurant, being a natural person, before expiry of the reflection period, notified the Insurer about termination of the Contract/Policy.

10. GROUNDS OF REFUSAL TO PAY BENEFITS

- 10.1** The Insurer shall be released from its obligations to pay the insurance benefits for property insurance in the event:
- 10.1.1** the insured event was the result of deliberate actions of the Insurant (Beneficiary) or member of his family having legal capacity at the moment of occurrence of the insured event or the damage is caused by their actions that are classified by the competent authorities or court as deliberate crime;
- 10.1.2** The Insurant (Beneficiary) breaches one of the obligations under sub-clause 8.3.6 of clause 8.3 of the present Terms, as a result of which it will be impossible to determine the circumstances or reason of the insured event or possible guilty parties or the amount of damage.
- 10.1.3** In the event the Insurant (Beneficiary) waived his right of claim against the party responsible for expenses compensated by the Insurer, or the exercise of this right became impossible at the Insurant’s (Beneficiary’s) fault, the Insurer shall be released from paying the insurance benefits in full or in relevant part and shall be entitled to claim refund of the overpaid amount of the insurance benefits.
- 10.2** In the event the Insurant (Beneficiary), family members of the Insurant (Beneficiary) did not fulfil any of the requirements under sub-clause 8.3.4 and the Insurant (Beneficiary) did not fulfil any of the requirements under sub-clause 8.3.5 of clause 8.3 of the present Terms, as a result of which the insured event occurred, which was confirmed by the competent authorities’ statement, the Insurer shall be entitled to reduce the amount of insurance benefits by 20 (twenty) per cent as a penalty, and in the event of deliberate failure to perform the specified obligations, to refuse to pay the insurance benefits in full.
- 10.3** The Insurer shall be released of its obligations to pay the insurance benefits for civil liability insurance if:
- 10.3.1** 1 the insured event was the result of deliberate actions of the Insurant (Insured person) or the damage is caused by his actions that are classified by the competent authorities or court as deliberate crime;
- 10.3.2** Insurant (Insured person) caused damage in a state of necessary self-defence to another party (Beneficiary) that directly encroached on the legally protected rights and interests of the Insurant (Insured person).



10.4 The Insurer shall not compensate the damage caused to the objects of insurance as well as the damage to life, health and/or property of other parties for the objects specified in clause 2.5 of the present Terms.

10.5 The present insurance shall not cover the loss/destruction and/or damage which was directly or indirectly caused by action organized by any party acting de-jure or de-facto on behalf of or with the organization performing actions aimed at seizing power or undertaking a terrorist act or violence that contributes to this.

11. DISPUTE SETTLEMENT PROCEDURE

11.1 Disputes arising out of the Contract/Policy concluded in accordance with the present Terms shall be settled by means of negotiations.

11.2 In the event no agreement is reached, disputes shall be settled by Financial System Mediator in accordance with the RA law “On financial system mediator” or in court as prescribed by the RA legislation.

11.3 When resolving controversial issues, provisions of the Contract/Policy shall prevail over the present Terms and Programme.

11.4. When resolving controversial issues, provisions of the Programme shall prevail over the present Terms.

11.5. When resolving controversial issues, in the event the present Terms stipulate more detailed description of the Programme’s provisions, provisions of the present Terms and Programme shall apply simultaneously.

12. EFFECT OF FORCE MAJEURE

12.1 Neither party shall be liable for full or partial non-performance of its obligations arising out of the present Contract/Policy when the non-performance is due to force majeure, namely: flood, fire, earthquake and other natural disasters, military actions, civil war, riots of any kind, strikes, economic blockade as well as other government restrictions and prohibitions.

12.2 In the event of circumstances specified in clause 12.1 directly affected the performance of the obligation within the term stipulated by the Contract/Policy, its performance shall be postponed for the duration of the circumstances. In the event the effect of force majeure lasts more than 30 (thirty) days, each of the parties shall have the right to fully or partially terminate the Contract/Policy notifying the other party about it in advance, and in this case neither party shall be liable for compensation of possible losses.

12.3 Effect of force majeure on obligations arising out of the present Contract/Policy shall be proven by the party, performance of obligations of which is hindered by that effect.

13. GLOSSARY

(terms used in Terms of insurance)

Antiques – old and rare pieces of art or valuable objects which constitute subject of trade and gathering. The property shall be confirmed as being an antique item or an antiquity by the conclusion of the examination or other documents confirming the value and/or authenticity of the piece as well as the act of evaluation of artistic values or other document certifying the full value of each item.

Insurance benefits – amount of money paid to the Insurant (Beneficiary) in the event of occurrence of an insured event within the insured amount specified by the Contract/Policy.



Insured person – person (apart from the Insurant) whose risk of liability for causing damage is insured under the Contract/Policy and who is responsible for causing damage to third parties.

Insurance premium – cost of insurance agreed under the Contract/Policy that is subject to payment for the entire validity period of the Contract/Policy.

Insurance contribution – part of the insurance premium paid by the Insurant.

Insurer – legal entity created in accordance with the RA legislation in order to carry out insurance and licensed in the prescribed manner.

Loss of the object of insurance – includes the destruction of the object of insurance as well as its seizure from the possession of a specific person, although the object may be physically unscathed.

Insurant – natural person or legal entity having legal capacity having concluded the Contract/Policy with the Insurer.

Maximum insurance benefits – maximum amount of insurance benefits per single insured event, per single insured risk or per single person who suffered damage specified by the Contract/Policy.

Constructive elements of the apartment (Apartment excluding interior decoration and engineering equipment (Bearing constructions)) – walls, partitions (provided by standard building project) apartment ceilings, balconies, loggias.

Impairment of property (constructive elements) – partial or complete loss of the property’s original cost due to disruption of its normal state, deterioration in quality and value as a result of an insured event.

Interior decoration and engineering equipment – all types of internal plastering, painting, glass, wallpaper, facing works; floor coverings, door structures (entrance and interior), including the door itself, the door frame, excluding the exterior trim of the apartment entrance door, window units including glazing; additionally constructed partitions not provided by the standard construction project, indoor stairs; permanently installed (fixed) plumbing equipment, air conditioner, gas and electric stoves, fireplaces, television and radio antennas, additionally connected equipment to heating systems, water, gas, heat and power supply, ventilation, various types of cleaning, sewage, waste disposal, air conditioning, water supply systems.

Constructive elements of the building (Building excluding interior decoration and engineering equipment) – walls, partitions, ceilings, foundation, stairs, roof including gutters, roofing, exterior finish of the building.

Contract/Policy – agreement between the Insurer and the Insurant regulating their mutual obligations in accordance with the Terms of insurance.

Level of risk – degree of possibility of insured event occurrence which exists in a given situation; change of possible amount of damage which may occur as a result of confluence of certain circumstances.

Risk assessment – natural material and value analysis of all risk circumstances characterising risk parameters.



Civil liability – type of liability of citizens and organizations, provided by the RA Civil code, towards other parties (natural persons and legal entities) which may suffer damage as a result of any action or inaction of the party causing damage against whom the injured parties are entitled to submit a claim of compensation of the damage in its integrity.

Insurance risks

Deliberate destruction (damage) of the objects of insurance by other parties – damage infliction due to deliberately, intentionally committed act which may cause significant damage.

Lightning strike in the object of insurance not having caused fire – damage infliction due to natural phenomenon occurring as a result of strong electrical discharges generated in the atmosphere.

Fall of aircrafts, their parts or cargo on the object of insurance – damage infliction due to the fall of an aircraft (airplane, spacecraft, helicopter, balloon, etc.), its parts or cargo regardless of whether damage was caused by fire, explosion, mechanical damage or air strike.

Fall of tress on the object of insurance – damage infliction as a result of accidentally falling trees.

Penetration of water and other liquids from adjacent rooms not belonging to the Insurant (Beneficiary) – damage infliction due to cases when water, other liquids penetrate into the Insurant’s apartment (room) from other premises (i.e. premises not belonging to the Insurant (Beneficiary)) and having caused damage to property.

Robbery – damage infliction due to assault with intent to rob others’ property committed with violence, dangerous for life or health either threatened with such violence.

Earthquake – damage infliction due to underground tremors and shaking of the earth’s surface occurring as a result of sudden displacements and ruptures within the earth’s crust or the upper part of the Earth’s mantle and transmitted over long distances in the form of elastic vibrations.

Hail – damage infliction due to precipitations occurring during the warm season in the form of ice particles of dense ice having a diameter from 5 mm to 15 cm, usually along with heavy rain during a thunderstorm.

Burglary – damage infliction due to secret theft of others’ property. Burglary is committed by illegal entry to the territory of insurance and cracking and damaging items and accessories located within the territory of insurance and intended for storage of the insured property, as well as use of fake keys, tools or other technical means, infliction of damage to building’s constructive parts (walls, floor, ceiling, roof, doors, windows). The use of fake keys, tools or other technical means shall be confirmed the Policy of Armenia or other competent authorities.

High water (flooding) – damage infliction due to intense, usually short term increase of water flow and level and caused by rains or snowmelt during thaws.

Fire including exposure to combustion products as well as water (foam) and other means used for fire extinguishing – damage infliction due to uncontrolled combustion that causes material damage, harm to the life and health of citizens, interests of the society and state. Combustion forms flame (fire) and smouldering. In the event of fire, the insured property shall also be deemed directly exposed to side

effects: smoke, melting, exposure to water (foam and other means) used during fire extinguishing.

Avalanche – damage infliction due to quick, suddenly occurring movement of the snow and (or) ice down steep mountainsides representing a threat to people’s life and health, causing damage to objects of the economy and the natural environment.

Tornado – damage infliction due to strong small-scale wind with a speed over 20 m/s causing heavy sea and destruction on land.

Explosion – damage infliction due to extremely fast single energy release of high impact force caused by a change in the composition (chemical reaction) of a chemical compound or substance (hot mixture, gas, etc.). The most common explosions are those of gas installations, steam boilers, cylinders. The shock force (blast wave) formed in the event of an explosion destructs the object from which the explosion emanates as well as causes damage to property.

Damage by water as a result of as a result of an accident of water supply, heating, sewage and fire extinguishing systems as well as damage to these systems due to exposure to low temperatures - damage infliction due to sudden damage (crash) of installations, devices, pipes or mechanisms of such systems (network) which results in disruption of their normal functioning. The most common accident is the one of radiator installations of the heating system including those occurred due to exposure to low temperatures (frost).

Flood – damage infliction due to flooding of the area with water representing a natural disaster (may occur when the ground water level rises as well as water during high water or flooding as well as in the event of jam, ice jam, surge at the river mouth as well as breakdown of hydro technical structures). Flood shall be distinguished from flooding areas (residential and utility premises) as a result of an accident or other faults of on-farm irrigation system, water supply (sewage, cleaning) structures and installations as well as flooding caused by construction and repair of reservoirs, canals, dams, hydroelectric power stations, shafts, mines.

Mudflow – damage infliction due to a rapid flow of great destructive power consisting of a mixture of water and loose clastic rocks suddenly occurring in the basins of small mountain rivers as a result of intense rains or rapid melting of snow and debris breakthrough.

Landslide – damage infliction due to displacement of the masses of rocks along the slope under the influence of their own weight and additional load due to slope undermining, waterlogging, seismic tremors and other processes.

Typhoon – damage infliction due to atmospheric vortex having a diameter of 300-400 km reaching storm and hurricane force. Due to large pressure changes inside the typhoon, the wind speed reaches gigantic values (around 400 km/h). There is an intense air rise and formation of powerful cumulonimbus clouds in a typhoon from which a huge amount of precipitation occur that can cause flood.

Natural disaster – damage infliction due to destructive natural and (or) natural-anthropogenic phenomenon or process of considerable scale as a result of which a threat to the life and health of people, devastation or destruction of material values and components of natural environment may arise or has arisen, The phenomenon shall be recognized as a natural disaster by the State Hydro meteorological Service of the Republic of Armenia or MES.



Unusual precipitation for a given area – damage infliction due to rainfall, snowfall, prolonged rains not typical for a given area and qualified by the competent authorities as unusual.

Impact of vehicles – damage infliction due to exit of the vehicle from the road.

Strong wind – damage infliction due to air movement relative to the earth’s surface with a velocity or horizontal component above 14 m/s but no more than 32 m/s.

Collapse – damage infliction due to sudden separation and fall of large masses of rocks on abrupt and steep mountain slopes, river valleys and sea coasts mainly occurring due to the weakening of rocks connectivity under the influence of weathering processes, surface activities and groundwater.

Hurricane – damage infliction due to a very strong and continuous wind, the speed of which exceeds 32 m/s.