

**"APPROVED"**

**Minutes of the Board of Directors  
Insurance Company Basel JSC  
Minutes No 09/25 dated April 01, 2025**

# **RULES**

**VOLUNTARY PROPERTY DAMAGE INSURANCE  
Insurance Company Basel JSC**

**Almaty, 2025**

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## 1. GENERAL PROVISIONS

- 1.1. These Rules of Basel Insurance JSC (hereinafter referred to as the Rules) have been developed in accordance with the class of insurance "voluntary property insurance" in the general insurance industry.
- 1.2. Under the terms of the Rules, Joint-Stock Company "Insurance Company "Basel" (hereinafter referred to as the Company) carries out voluntary insurance of property against damage by entering into an Insurance Agreement (hereinafter referred to as the "Agreement") with legal entities (regardless of the form of ownership) or capable individuals (regardless of citizenship).
- 1.3. The following concepts are used in the Rules:

**The insurer** is Basel Insurance Company JSC.

**Insurant** is a person who has entered into an Agreement with the Insurer. Unless otherwise provided by the Agreement, the Insured is at the same time the Insured.

**Insured** is a person whose property interests are related to the possession, use, disposal of the insured property as a result of its damage or loss (destruction).

**Beneficiary** is a person who, in accordance with the Agreement, is the recipient of insurance payment. Unless otherwise provided by the legislative acts of the Republic of Kazakhstan or the contract, the Beneficiary is the insurant.

**Property** is things related to movable or immovable property, and which are in the possession and/or use and/or disposal of an individual or legal entity on any legal basis.

**Immovable property** - immovable property (immovable property, real estate) includes: land plots, buildings, structures, perennial plantations, apartments, residential premises, non-residential premises that are part of a condominium and other property firmly connected with the land, that is, objects that cannot be moved without disproportionate damage to their purpose.

**Movable property** - property that is not related to real estate, including money and securities, is recognized as movable property. The contract may also determine other property not specified in these Rules.

**Insured risks** are the assumed events specified in the Agreement, which have signs of probability and chance, the unexpected occurrence of which may lead to damage or loss of the insured property.

**Insured event** is an event, upon occurrence of which the Agreement provides for the implementation of insurance payment. An event considered as an insured event must have signs of probability and randomness of its occurrence.

**Insured amount** is the amount of money for which the insured object is insured, and which is the maximum amount of the Insurer's liability in the event of an insured event. When insuring property, the insured amount may not exceed its actual value (insured value) at the time of conclusion of the Agreement.

**Insurance premium** is the amount of money that the Insured is obliged to pay to the Insurer for the latter's assumption of obligations to make an insurance payment to the Beneficiary in the amount determined by the Agreement.

**Insurance indemnity** is the amount of money paid by the Insurer to the Beneficiary-Acquirer within the insured amount in the event of an insured event.

**Franchise** is the Insurer's exemption from compensation for damage not exceeding a certain amount provided for by the terms of insurance. Franchise can be conditional (non-deductible) and unconditional (deductible) and is established either as a percentage of the insured amount or in absolute amount. In case of a conditional deductible, the Insurer is exempt from compensation for damage not exceeding the established amount of the franchise, but must compensate for the damage in full, if its amount exceeds this amount.

Unconditional franchise, the damage in all cases is compensated minus the established amount.

**Subrogation** is the transfer to the Insurer who paid the insurance indemnity of the right to demand compensation from the person responsible for the damage caused to the Insured (Insured) within the limits of the compensated damage.

**Adjuster** is an employee of an insurance (reinsurance) organization or an independent appraisal company, whose functions include consideration of an insurance claim and assessment of damage from an insured event.

**Database formation and maintenance organization** – a non-profit organization with state participation, which forms and maintains a database on compulsory voluntary types of civil liability insurance on the basis of the Law of the Republic of Kazakhstan "On Insurance Activities and Legislative Acts of the Republic of Kazakhstan on Compulsory Types of Insurance".

- 1.4. The Insureds have the right to conclude Agreements with the Insurer in favor of third parties (Insured) who have a reasonable interest in preserving the insured property from damage.
- 1.5. The obligations of the Insured specified in these Rules and the Agreement shall equally apply to the Insured and/or the Beneficiaries. Failure by the Insured to fulfill these obligations entails the same consequences as failure by the Insured.
- 1.6. The signature and/or payment of the insurance premium of the Insured or his representative is a confirmation of his full agreement with these Rules, and that the Insurer has provided the Insured with a copy of the Rules.
- 1.7. The Insured may designate a third party as the Insured in the Agreement.
- 1.8. The conclusion of the Agreement in favor of the Insured does not release the Insured from fulfilling obligations under such Agreement.
- 1.9. The Insured has the right to appoint as a Beneficiary any person who has an interest in the preservation of the insured property when entering into the Agreement, provided that the Insured (Insured) also has an interest in the preservation of the insured property.
- 1.10. An agreement concluded when the Insured, the Insured who is not the Insured, or the Beneficiary has no interest in preserving the insured property is invalid.
- 1.11. The Insured has the right to replace the Beneficiary specified in the Agreement who is not the Insured with another person before the occurrence of the insured event, notifying the Insurer in writing.
- 1.12. The Beneficiary may not be replaced by another person after an event has occurred that has the characteristics of an insured event, or the Beneficiary has fulfilled certain obligations under the Agreement arising from its agreement with the Insured, and/or has submitted a claim to the Insurer to make an insurance payment.

## 2. OBJECT OF INSURANCE

- 2.1. The object of insurance is the property interests of the Insured, which do not contradict the legislation, related to the possession, use, disposal by the Insured of the insured property specified in the contract (policy) as a result of its damage or loss (destruction).
- 2.2. The subject of insurance shall be movable and/or immovable property specified in the Agreement, except for property that cannot be accepted by the Insurer for insurance in accordance with these Rules or which is not covered by insurance coverage in accordance with these Rules.
- 2.3. The subject of insurance may be movable and/or immovable property, in respect of which the Insured or another person in whose favor the Agreement is concluded exercises the right of ownership, or the right of possession or belonging to the Insured on the basis of the right of economic management, operational management, the right of use or the right of

disposal, transferred to the Insured for processing, use, storage or sale. If the Insured is not the owner of the property that is accepted by the Insurer for insurance, it is considered that the Insured has received the consent and approval of the owner of the property to carry out insurance.

2.4. Unless otherwise provided for in the Agreement, the insurance cover does not apply to claims for insurance payment in respect of the following types of property:

- 1) cash in any currency, precious metals bullion and precious stones without rims, articles of precious metals, jewelry made of pearls and precious stones, stamps, coins, medals, paintings, sculptures, collections or other works of art;
- 2) manuscripts, plans, drawings, accounting and business books, acts, plans, reports, card indexes and other documents, and securities, including shares, bonds, savings books, bank checks;
- 3) technical data carriers of computer and similar systems, in particular magnetic films and cassettes, magnetic disks, memory units and other electronic data carriers;
- 4) samples, models, prototypes and exhibition samples, as well as special equipment that is not used by the Insured for the production of current products;
- 5) Explosives;
- 6) machines with coin acceptors, including change machines, as well as machines for dispensing money along with their contents;
- 7) located in the insured premises, but not insured under the Agreement and/or property not owned by the Insured;
- 8) farm animals, perennial plantations and crops;
- 9) frame-reed buildings, timber/wood buildings;
- 10) buildings and structures, structural elements and engineering systems that are in disrepair, as well as property located in it;
- 11) buildings, structures, houses made of timber;
- 12) types of property, the alienation of which is not allowed (withdrawn from circulation) in accordance with the laws of the Republic of Kazakhstan.

2.5. In accordance with the terms of these Rules, the subject of insurance is the property specified in the Agreement, which at the time of the occurrence of insured events was located in the territory of insurance.

### **3. INSURED EVENT**

3.1. An insured event is an event that has occurred under these Rules and (or) the Agreement, upon the occurrence of which the Insurer is obliged to make an insurance payment to the Insured or another person in whose favor the Agreement is concluded.

3.2. An event considered as an insured event must have all the following features:

- 1) Probability and randomness of the occurrence of the event;
- 2) Unpredictability as to the specific time or place of the event, as well as the amount of losses resulting from the event;
- 3) There is no danger that the event must inevitably and objectively occur within the scope of the contract, of which the parties or, at least, the Insured knew or should have known, as well as if they were aware in advance;
- 4) The occurrence of the event has negative, unfavorable economic consequences for the property interest of the Insured (Insured, Beneficiary);
- 5) The occurrence of the event is not related to the will and (or) intent of the Insured (Insured, Beneficiary) and does not provide for the purpose of deriving benefits and (or) obtaining winnings (speculative risk).

3.3. In accordance with these Rules, an insured event is a damage or loss of the insured property as a result of the occurrence of an event specified in the Agreement or a set of events

(insured risks). An insured event occurs only when the damage or loss of the insured property occurred during the period of validity of the insurance cover.

3.4. Proof of the occurrence of an insured event, as well as the amount of damage caused by it, lies with the Insured (Insured) and/or the Beneficiary.

3.5. **Under the terms of these Rules, the following risks are insured :**

3.5.1. **Fire, lightning and explosion insurance:**

The insurer shall make an insurance payment for damage caused as a result of damage or loss of the insured property as a result of the occurrence of the following events (insured events):

✓ *Fire*

Fire is understood as the occurrence of fire outside the places specially designed for its ignition and maintenance, or the spread beyond their boundaries and the ability to spread independently;

✓ *Lightning*

A lightning strike is understood as a direct lightning strike on the insured property;

✓ *bang*

An explosion is understood as a fast-moving physical or physicochemical process that takes place with a significant release of energy in a small volume in a short period of time and leads to shock, vibration and thermal effects on the environment due to the high-speed expansion of explosion products.

An explosion of a tank (boiler, pipeline, etc.) occurs only when its wall collapses and there is a sudden equalization of pressure inside and outside the tank. If the explosion inside the tank occurs as a result of a chemical reaction, then the damage due to the deterioration of the tank must be compensated regardless of whether the integrity of its walls is violated. Damage resulting from low pressure is not compensable;

✓ *extinguishing a fire that occurred as a result of a fire, explosion, lightning strike.*

Unless otherwise specified in the Agreement, the insurance cover does not apply to the destruction, damage or loss of the insured property (including electrical wiring) as a result of electric current exposure to it with or without the occurrence of fire (for example, current and voltage drops in the electrical network; insulation failure, including short circuit, winding short, body or ground fault; insufficient contact; failure of metering, regulating devices and devices that ensure safety, etc.).

Unless otherwise provided by the Agreement, then, in accordance with the terms of the Rules, damage caused to the property interests of the Insured as a result of:

- ✓ damage or loss of the insured property as a result of the impact on it of purposeful useful (working) fire or heat necessary for melting, heat treatment, baking, cooking, smoking, drying and other similar purposes, outside installations using fire or heat;
- ✓ damage or loss of the insured property, with the help of which or in which fire (heat) is specially created and/or which is specially designed for its breeding, maintenance, distribution, transmission, except for cases when the impact was caused by an insured event;
- ✓ damage or loss of the insured property as a result of exposure to high temperatures (overheating, scorching, etc.), except for cases when such impact was caused by the occurrence of events (insured risks) specified in the Agreement;
- ✓ damage or loss of insured mechanisms with internal combustion engines as a result of explosions in the combustion chamber; damage to electrical switches as a result of gas pressure, except for cases when such impact was caused by the occurrence of events (insured risks) specified in the Agreement;

- ✓ loss of or damage to the insured electrical equipment (including electrical wiring) as a result of a lightning strike, except in cases where lightning struck directly the insured electrical equipment;
- ✓ long-term targeted exposure to smoke.

If a fire or explosion occurs as a result of a lightning strike, then the damage caused to the Insured/Insured as a result of loss or damage to the insured property is subject to compensation in accordance with the terms of the Agreement and the Rules.

### 3.5.2. Disaster Insurance :

#### 1) Hurricane (storm):

The insurer shall indemnify for damage caused as a result of damage or loss of the insured property as a result of:

- ✓ direct impact of a hurricane (storm) on the insured property;
- ✓ falling of parts of buildings, trees and other objects on the insured property under the influence of a hurricane (storm);
- ✓ causing damage to the insured property or buildings in which it is located, if this damage was caused by the impact of a hurricane (storm);

A *hurricane (storm)* in this case is understood as the movement of air masses caused by weather conditions with a wind force corresponding to 8 points on the Boford scale (wind speed more than 60 km/h).

If it is impossible to determine the strength of the wind for the place where the insured event occurred, then it is considered to correspond to the strength of the wind in case of a hurricane (storm), if the Insured proves the presence of at least one of the following conditions:

- ✓ the movement of air masses in the place of insurance or its surroundings caused the loss or damage of buildings in impeccable condition or other property capable of withstanding the corresponding wind force similar to buildings;
- ✓ The loss or damage of the insured property, which is in impeccable condition, could occur only as a result of a hurricane (storm).

Unless otherwise provided in the Agreement, in addition to the exclusions and limitations contained in Section 4 of the Rules, the Insurer shall not compensate for the damage caused to the Insured (Insured) as a result of damage or loss of property as a result of:

- ✓ flood caused by a hurricane (storm);
- ✓ avalanches;
- ✓ exposure to rainwater, hail, snow or mud that has penetrated through unclosed windows or other openings, unless these openings have arisen as a result of the impact of a hurricane (storm).

Unless otherwise agreed and specified in the Agreement, insurance coverage also does not apply to:

- ✓ buildings and premises that are not ready for operation, and property located in these buildings and premises.

Buildings and premises are considered not ready for operation if the construction or repair of the roof, external walls is not completed, window and door openings are not completely closed and scaffolding and fences are not dismantled:

- ✓ equipment that is located on the external walls and roof of the building (signs, electric advertising, awnings, shutters, antennas, etc.), power lines in the open air, including poles, masts and fences;
- ✓ property located in the open air;
- ✓ all glass surfaces, including shop windows, exhibition windows, artistically worked glass, window panes, laminated insulating glass, armoured, lead and

brass glass, glass blocks, profile glass, organic glass, glass roofs, as well as frames and profiles used for the installation of these types of glass;

- ✓ machinery and equipment used in construction and installation works, as well as installed equipment and construction objects.

2) *Hail:*

The insurer indemnifies for damage caused as a result of damage or loss of the insured property as a result of precipitation in the form of hail.

3) *Flood:*

The Insurer shall indemnify for the damage caused to the Insured (Insured) as a result of damage or loss of the Insured property as a result of flooding.

*In this case, a flood means flooding of the place of insurance as a result of:*

- ✓ overflow of water from surface (stagnant or flowing) water bodies;
- ✓ Precipitation.

In addition to the limitations and exclusions contained in Section 4 of the Rules, the Insurer shall not compensate for damage caused to the Insured as a result of:

- ✓ the outflow of water from the shores of surface water bodies, which could be foreseen based on local conditions (terrain, climate, seasonal fluctuations of water, etc.) characteristic of the place of insurance;

Under the terms of the Rules, it is considered that the outflow of water from the banks can be foreseen if such an event occurs on average more than 1 (one) time in ten years:

- ✓ Storm;
- ✓ flooding caused by insufficient capacity of sewerage, storm water and sewage (internal and external) systems.

4) *Earthquake:*

The Insurer shall indemnify the damage caused to the Insured/Insured as a result of damage or loss of the insured property as a result of an earthquake.

*An earthquake* is understood as a ground shaking (seismic tremors) that occurs as a result of a sudden resolution of stress in the earth's crust. All cases of loss, destruction or damage to property occurring at any time within 72 or more consecutive hours and directly caused by a seismic shock are considered to have occurred as a result of one seismic shock and within the framework of the Rules are considered as one insured event.

The beginning of the specified 72-hour period is established on the basis of documents drawn up by authorized state bodies on the fact of the earthquake that occurred. If the damage is caused as a result of insured events that occurred within the specified 72 hours, but independently of each other, it is considered that different insured events took place.

An insured event as a result of an earthquake is considered to have occurred when the Insured proves the presence of at least one of the following conditions:

- ✓ buildings damaged or destroyed as a result of shaking of the earth's surface or other property, which, like buildings, are capable of withstanding such shocks, were in impeccable condition, i.e. during their design, construction and operation, seismological conditions of the area where these buildings and other property are located were taken into account;

3.5.3. Loss or damage to the insured property, which is in immaculate condition, could only have occurred as a result of an earthquake.

3.5.4. **Insurance against other natural disasters:**

The Insurer shall indemnify for the damage caused to the Insured (Insured) as a result of damage or loss of the Insured property as a result of the following events:



- 1) *Mudflow* is a short-term destructive flow, overloaded with mud-stone materials, arising from heavy rains or intensive melting of snow in foothills and mountainous areas, in the basins of small rivers and logs with large thalweg slopes.
- 2) *A landslide* is the movement of rock masses on a slope under the influence of the soil's own weight and load, which occurs as a result of soil shear.
- 3) *Rock collapse* is the collapse (fall) of rock masses (in the form of large blocks and debris) as a result of separation from the bedrock.
- 4) *The release of subsoil water* is a complex process manifested under the influence of man-made and, partially, natural factors, in which, as a result of violation of the water regime and the balance of the territory over the estimated period of time, the groundwater level rises, reaching critical values that require the use of protective measures.

In addition to the limitations and exclusions contained in Section 4 of these Rules, the Insurer shall not compensate for the damage caused to the Insured (Insured) as a result of these events, if they could have been foreseen based on local conditions (terrain, climate, seasonal water fluctuations, etc.) characteristic of the place of insurance; Under the terms of these Rules, an event is considered to be foreseeable if such an event occurs on average more than once every 10 (ten) years.

#### 3.5.5. **Insurance against flooding with water from water supply, sewerage and heating systems:**

The insurer shall indemnify for losses caused as a result of damage or loss of the insured property as a result of flooding with water from the water supply, heating and sewerage systems.

Water vapor is equated to water.

These systems include the pipes themselves, water transmission plants, bows, water intake points, collectors, etc.

If specifically provided for in the Agreement, the insurance covers losses caused to the insured property as a result of rupture or damage, including as a result of sudden freezing of water, pipes that are laid in the insurance area, although they provide supply to uninsured groups of property, or laid outside the insurance territory, but ensure the supply of the insured premises.

The insurance cover provided in accordance with the terms of this section is valid only if the Policyholder (Insured), in addition to the conditions specified in the Agreement, complies with the following safety measures:

- 1) maintains in proper condition the pipes located in the place of insurance and directly related devices and devices of water supply, sewerage and heating systems. If, in the opinion of experts, or in accordance with the legal requirement of the authorities, or in accordance with the rules of operation, it is necessary to install additional equipment, make changes to the water supply, heating and sewerage systems, as well as take measures against possible freezing of water in the pipes, then these measures must be carried out immediately or no later than the deadline set by the Insurer;
- 2) shut off, if possible, water supply, heating and sewerage systems in unused buildings or parts thereof and release them from water (drains water from pipes). The same applies to apparatus and devices that are directly connected to these systems;
- 3) stores the insured property at a height of at least 12 centimeters from the floor level.

#### 3.5.6. **Insurance against false alarm of the automatic fire extinguishing system:**

- 1) The Insurer shall indemnify for the damage caused to the Insured (Insured) as a result of damage or loss of the Insured property as a result of false activation of automatic fire extinguishing installations (sprinkler installations).

*In this case, the false activation of sprinkler installations* means the sudden activation of devices and equipment directly related to the sprinkler installation, contrary to the

established standards of their operation. The devices and equipment of sprinkler installations include heat locks with sprinklers, a water tank, a switchgear, valves, a fire alarm, pumps, other devices, as well as supply pipes related exclusively to the sprinkler system.

- 2) The Insurer shall indemnify the damage caused to the Insured (Insured) as a result of damage or loss of the Insured property as a result of *false activation of sprinkler installations* only if:

- ✓ these installations are located in buildings and premises that are specified in the Agreement as the insurance territory;
- ✓ sprinkler equipment located at the insurance site is installed by organizations that have an official permit for the sale and installation of automatic fire extinguishing devices, and undergoes regular inspections in specialized technical control organizations recognized by the Insurer.

In addition to the exclusions and limitations contained in Section 4 of these Rules, the Insurer shall not compensate for damage caused to the Insured (Insured) as a result of:

- ✓ loss or damage of the sprinkler system itself;
- ✓ testing of the sprinkler system, including under pressure;
- ✓ repair or restoration work in the insurance area, as well as repair of the sprinkler system itself;
- ✓ land subsidence, landslides and mold exposure.

Damage caused to the Insured (Insured) as a result of the events listed in clause 3.5.5. of these Rules is subject to reimbursement only if these events are specified in the Agreement as insured risks.

**3.5.7. Insurance against burglary, robbery and robbery, including subsequent destruction or damage to property:**

The Insurer shall indemnify the damage caused to the Insured (Insured) as a result of damage or loss of the insured property as a result of burglary, robbery and robbery and subsequent damage or loss of the insured property.

By agreement between the Insured and the Insurer, insurance coverage may be provided in case of damage or loss of the insured property as a result of:

- ✓ burglary;
- ✓ robbery and robbery within the territory of insurance;
- ✓ destruction that took place after break-in, as well as as a result of attempts to take the actions specified in the previous subparagraphs of this paragraph.

Damage caused to the Insured (Insured) as a result of the actions listed in clause 3.5.6. of these Rules, is subject to reimbursement only if these actions are specified in the Agreement as insured risks.

*Burglary* is considered an insured event (risk) if the attacker:

- 1) penetrates into the insured premises by breaking doors or windows, using master keys, forged keys or other technical means. Counterfeit keys are considered to be keys made on behalf of, or with the consent of, persons who do not have the right to dispose of the originals (originals) of the keys. The mere fact of the disappearance of property from the place of insurance is not enough to prove that forged keys were used;
- 2) breaks into the premises (containers, storages) located in the territory of insurance, which are used for the purpose of storing the insured property, or opens them with the help of forged keys or other tools;
- 3) by secretly entering the closed premises of the insurance territory and/or hiding in them until closing, steals the insured property stored there;

- 4) enters the place of insurance with the help of original keys stolen outside the territory of insurance, provided that the theft was not facilitated by negligent handling of the keys of the Insured/Insured or his/her employees, including security;
- 5) enters the insurance territory with the help of the original key or opens the vault with the original key, provided that his actions can be qualified as burglary or robbery.

If, as a result of the actions specified in part three of sub-clause 3.5.6. of these Rules, the property was stolen, which is considered to be insured only if the Insured (Insured) fulfills additional security measures, then burglary is recognized only if the intruder took possession of the original key as a result of:

- ✓ burglary, if the places used to store keys are protected from burglary in the same way as places (vaults) intended for storing insured property;
- ✓ robbery that took place outside the place of insurance.

*Robbery and robbery* are considered an insured event if:

- 1) Violence is used against the Insurant (Insured) or persons working for him/her (for individuals – also family members) to suppress their resistance and seize the insured property;
- 2) The Insured/Insured or its employees (for individuals – also family members) under threat to their health or life transfer or allow the transfer of the insured property within the territory of insurance. If the territory of insurance is several insured buildings or objects, robbery is considered to be the seizure of movable property within the insured building in which there is a threat to the health or life of the Insured (Insured) or its employees (for individuals – also family members);
- 3) At the time of theft of the insured property, the Insured (Insured) or persons working for him (for natural persons - also family members) are in a helpless state, which does not allow them to resist the robber, provided that such a state was not the result of malicious actions on the part of these persons.

Destruction of property is considered an insured event if this event was a consequence of the intruder's entry into the insurance territory by one of the methods specified in paragraph 3.5.9. of these Rules.

*When insuring property against burglary* in accordance with the terms of these Rules, the circumstances affecting the degree of risk are:

- ✓ elimination or replacement of security equipment, storage tanks, etc., which were additionally agreed upon at the conclusion of the Contract, with less reliable ones;
- ✓ repair or re-equipment of insured buildings and premises, installation of scaffolding, hoists, repair or re-equipment of buildings or premises directly adjacent to them;
- ✓ availability of premises directly adjacent to the insurance territory (above, below or on the side), which are temporarily or permanently not used in economic activities;
- ✓ non-use for a long period (over 60 days) of the premises directly (above, below or on the side) adjacent to the insured premises;
- ✓ termination of the economic activity of the Insured (Insured) or its suspension for a period of more than 60 days;
- ✓ loss of keys to the doors of the place of insurance or to special containers for storing the insured property and refusal to immediately replace the locks with equivalent ones if the keys to such locks have been lost.

In addition to the obligations specified in section 9-10 of these Rules, the Insured (Insured) shall:

- 1) Take all measures to eliminate circumstances that increase the degree of risk, and if this is not possible, strengthen existing security measures;
- 2) Close fences, doors, windows and other entrances, openings that allow entry into the insurance areas and special storage facilities after the end of working hours and in case of temporary suspension of economic activity;
- 3) Ensure the uninterrupted operation of all security systems and/or devices that were available at the conclusion of the Agreement and were additionally installed at the request of the Insurer;
- 4) Ensure uninterrupted operation of security systems and/or devices in those premises of the insurance place that are temporarily not used in the business activities of the Insured (Insured);
- 5) All changes in security systems and/or devices available at the conclusion of the Agreement, as well as those installed at the request of the Insurer, are subject to agreement with the Insurer, and must also be confirmed in writing.

**3.5.8. Insurance against vehicle collision, collision, fall of manned flying objects, their parts or cargo transported on these objects:**

The Insurer shall compensate for the damage caused to the Insured (Insured) as a result of damage or loss of the insured property as a result of:

- 1) Collision with the insured property of the vehicle.
- 2) In this case, a vehicle collision is understood as a direct collision of a vehicle (including a vehicle moving on rails) with the insured property.
- 3) Collisions or falls of manned flying objects, their parts or cargo carried on these objects.

Unless otherwise provided for in the Agreement, in addition to the exclusions and limitations contained in Section 4 of these Rules, the Insurer shall not compensate for the damage caused to the Insured (Insured) as a result of:

- 1) Collision of a vehicle operated by the Insured/Insured/Beneficiary, the user of the insured building or their employees (for individuals – also family members);
- 2) Loss of or damage to vehicles;
- 3) Natural depreciation (depreciation);
- 4) Loss of or damage to fences, road surfaces and other transport routes, road elements and road surface.

**3.5.9. Broken glass (extended insurance coverage for glazing elements):** Loss or damage to glazing elements (window and door glass, mirrors, stained-glass windows, glass walls, etc.) as a result of a breakage for any reason. If this risk is included in the Agreement, glazing elements are considered Insured in case of loss or damage for any reason. If this risk is not included in the Agreement, glazing elements are considered to be Insured only for those risks specified in the Agreement. Glazing elements can be insured as part of the insured property (in buildings, structures, premises, etc.) and as a separate object. When insuring glazing elements, losses caused as a result of:

- 1) Loss of or damage to the insured glazing elements, as well as the frames (frames) in which they are fixed;
- 2) Collateral damage by fragments of the insured glazing elements of any insured items fixed on the outside of buildings, structures and premises (masts, antennas, open electric wires, protective canopies, etc.). These losses are compensated only if it is expressly provided for by the Agreement;
- 3) Damage by fragments of the insured glazing elements of the insured items inside buildings, structures and premises. These losses are compensated only if it is expressly provided for in the Agreement. Glazing elements that have already been inserted into the frames (frames) or mounted in the places of their fastening are

subject to insurance. Damage caused as a result of: - removal or dismantling of glass or glass parts from window or door frames or other places of their permanent fastening shall not be compensated; - damage to the surface of the glass (scratches or chips).

3.5.10. The contract may provide for other events that do not contradict the legislation of the Republic of Kazakhstan as insured events.

#### **4. EXCLUSIONS FROM INSURED EVENTS AND INSURANCE LIMITATIONS. INSURER'S GROUNDS FOR EXEMPTION FROM INSURANCE PAYMENT**

4.1. Unless otherwise provided for in the Agreement, the Insurer shall not compensate for the damage caused to the Insured (Insured) as a result of damage or loss of the insured property, and expenses incurred as a result of:

- 1) Deliberate actions of persons living with him or running a joint household with him;
- 2) Intentional actions of the Insured's (Insured) employees;
- 3) Robbery (robbery) during transportation to or from the place of insurance.

4.2. Unless otherwise provided for in the Agreement, damage caused to the property interests of the Insured (Insured) as a result of damage or loss of the insured property, as well as any additional expenses incurred as a result of:

- 1) Expenses for conducting cases related to the insured event and with its proof in the authorized bodies (costs for photocopies, notarization, examination, payment for the services of a lawyer, representative, translator, postal (courier) services);
- 2) Expenses for improvement and modernization of the insured property;
- 3) Damage caused to third parties;
- 4) Mechanical breakdowns or defects of the Insured property that existed and/or of which the Insured (Insured) knew or should have known at the time of signing the Agreement;
- 5) Mechanical breakdowns due to corrosion, erosion or any other prolonged chemical or atmospheric effects of the environment, as well as excessive exposure to dirt, rust, scale;
- 6) Damage resulting from the operation or use of the insured property by unqualified personnel who do not have special admission and have not undergone special training, as well as maintenance and/or repair by persons who are not specially trained and do not have special admission, or in violation of the technical characteristics and operating rules established by the manufacturer;
- 7) Damage caused as a result of loading, unloading and transportation of the insured property;
- 8) Expenses for the replacement of components and/or consumables, if such components and/or consumables at the time of the insured event required replacement or were worn out by 70 (seventy) percent;
- 9) Any defects and depletion of the resource associated with wear, aging, reduction of strength and with work processes and related factors (vibration, noise, electromagnetic interference, etc.), if the consequences of such damage and failures are localized within the insured property;
- 10) Damage to structural elements associated with the impact of normal operating conditions and loads of a cumulative or progressive nature (corrosion, fatigue cracks and delaminations);
- 11) Losses from damage and/or loss (destruction) of equipment resulting from its treatment with fire, heat or other thermal impact on it for the purpose of its processing or for other purposes;

- 12) Theft of the insured property without traces of burglary, or forcible entry into the premises in which the insured property is located;
- 13) Intentional actions of the Insured (Insured) or his employees (for individuals - also family members) aimed at the occurrence of an insured event, except for actions committed in a state of necessary defense and extreme necessity;
- 14) commission by the Insured (Insured) of a crime that is in a direct causal relationship with the insured event;
- 15) Inaction or actions of the Insured (Insured) or his employees committed in a state of alcoholic, toxic or drug intoxication, as well as in a state in which he could not understand the meaning of his actions or direct them;
- 16) Effects of nuclear energy in any form;
- 17) Any military actions, including civil war, intervention, armed conflicts, both with and without a declaration of war;
- 18) Internal popular unrest and disorders, revolutions, separation of territories, popular uprising, mutiny, putsch, riot, coup d'état, regardless of the number of people participating in them;
- 19) Strikes, lockouts, acts of terrorism, regardless of the number of people participating in them;
- 20) Orders of military or civil authorities, confiscation, requisition, forced nationalization;
- 21) Declaration of a state of emergency or martial law;
- 22) Natural disasters - when declaring the territory of insurance coverage as a natural disaster zone before the conclusion of the Agreement;
- 23) Spontaneous combustion, fermentation, decay or other natural properties of the insured items;
- 24) Collapse of buildings or part of them, if the collapse is not caused by an insured event (as a result of the soaking (dissolving or corrosive) action of water or other liquids);
- 25) Errors and miscalculations in the project (design), specifications, production, materials;
- 26) Damage to mechanisms with an internal combustion engine during explosions (detonations) occurring in the combustion chambers.

4.3. Unless otherwise provided for in the Agreement, the insurance cover under the Agreement does not apply to claims for insurance payment in respect of the following events:

- 1) Roof leaks (unless the roof is damaged during the insured event) or leaving doors, windows or vents open;
- 2) Loss or damage to fences, road surfaces and other transport routes;
- 3) Use of spare parts, components and/or consumables not specifically specified and not recommended by the manufacturer;
- 4) Damage or loss of the Insured property as a result of an accident, if the Insured/Insured and/or his/her employees drove a vehicle in a state of alcoholic, narcotic, substance abuse and/or the use of medicines affecting the psychomotor functions of the body;
- 5) Illegal actions of third parties for political reasons;
- 6) Use of the insured property for purposes other than those specified in the Insured's Application and/or for the purposes for which the insured property is intended, as well as the use of equipment for purposes other than those specified in the Insured's Application;
- 7) Use of the insured property under special programs, namely: for tests, test drives, setting records, demonstration of various equipment or decorations of an advertising, entertainment nature, for driving training, fighting fires, pollution, for rescuing someone or something and other events of increased risk, as well as the operation of equipment for purposes other than those specified in the Insured's Application;

- 8) Fire resulting from a malfunction of the insured property due to a short circuit of independently installed electrical and/or other additional equipment;
  - 9) Exceeding the maximum capacity of passengers and the norms of loading of the insured property;
  - 10) Renting, leasing or renting the insured property without the written consent of the Insurer;
  - 11) Failure to return to the Insured (Insured) the insured property transferred by him for rent, rent, leasing;
  - 12) Cases that occurred during the transportation/towing of the insured property by any means of transport, when towing other vehicles by the insured property;
  - 13) Expenses of the Insured (Insured) for storage and transportation of the damaged insured property in the event that the Insurer has waived its right to this property (abandonment), while withholding the residual value of the lost insured property when making the insurance payment, the expenses of the Insured (Insured) for the destruction of unusable (lost) property are also not covered;
  - 14) The cost of the alarm and/or anti-theft device lost together with the insured property, as well as the locking devices installed during the term of the Agreement;
  - 15) Violation by the Insured (Insured) of the rules and standards of fire safety, protection of premises and valuables, storage, safety of work or other similar standards established by legislative or other regulatory acts, or if such violations were carried out with the knowledge of the Insured (Insured), or failure to comply with the instructions of the authorized bodies to eliminate the identified violations and/or deficiencies in time;
  - 16) Failure to ensure the safety of the insured property, namely leaving the goods without proper protection, failure to bring locking devices and/or devices into working position, as well as the absence of them, lack of other safety measures, as well as failure to bring them into working position;
  - 17) Storage of the insured property in violation of the storage conditions (regime) established in the standards, technical specifications, technological instructions, storage instructions, rules for the storage of certain types of property, other regulatory documents and documents of the manufacturer;
  - 18) Damage/loss of insured property outside the territory of insurance;
  - 19) The Insured (Insured) does not have warehouse documents for the goods confirming the acceptance of the goods for storage;
  - 20) Events not specified in the insurance contract as an insured event;
  - 21) Occurrence of an insured event outside the territory of insurance or the period of validity of insurance coverage.
- 4.4. Unless otherwise provided for in the Agreement, the insurance cover does not apply to:
- 1) Interruption in production or trade;
  - 2) Loss of rent or rent revenues;
  - 3) Loss of profit;
  - 4) Clearing the territory and demolition of buildings after an insured event;
  - 5) Loss of marketable condition;
  - 6) Other indirect losses (for example, loss of profit), although they were caused by an insured event;
  - 7) Moral damage;
  - 8) Legal costs.
- 4.5. If the Insurer refuses to compensate for damage, referring to the events specified in clauses 4.1.-4.4. of these Rules, the Insured (Insured) must prove that the damage caused to him was not directly or indirectly related to the occurrence of these events.

- 4.6. The Insurer is exempt from making the insurance payment in terms of those losses that have arisen as a result of the fact that the Insured (Insured) intentionally did not take reasonable and available measures to reduce possible losses.
- 4.7. Unless otherwise provided for in the Agreement, the Insurer shall not reimburse the following expenses of the Insured (Insured) caused by the occurrence of an insured event or an attempt to perform actions related to:
- 1) Repair of damage to roofs, ceilings, walls, floors, locks, windows (including glass) or protective grilles of buildings that are the territory of insurance in accordance with the Agreement;
  - 2) Elimination of damage to free-standing advertising stands or showcases (including glass), if they are located in the immediate vicinity of the insurance area;
  - 3) With the replacement of locks or keys, if the keys were lost due to an insured event, except for the keys to cash safes and armored rooms.
- 4.8. Unless otherwise provided by the Agreement, the Insurer shall have the right to fully or partially refuse the Insured (Insured) in the insurance payment, if the insured event occurred as a result of:
- 1) deliberate actions of the Insured/Insured/Beneficiary's employees, aimed at the occurrence of an insured event or contributing to its occurrence, except for actions committed in a state of necessary defense or extreme necessity;
  - 2) actions of the Insured/Insured/Beneficiary's employees, recognized in accordance with the procedure established by legislative acts as intentional criminal or administrative offenses that are in a causal relationship with the insured event.
- 4.9. Unless otherwise provided by the Agreement, the insurance coverage under the Agreement does not apply to claims for insurance payment in respect of the following types of property:
- 1) Buildings that are not ready for use (if the construction or repair of the roof, external walls is not completed, window and door openings are not completely closed and scaffolding and fences are not dismantled) and the property located in these buildings.
  - 2) Property of lessors;
  - 3) Signs, electric advertising, awnings, shutters, antennas;
  - 4) All glass surfaces, including shop windows, exhibition windows, artistically worked glass, window panes, laminated insulating glass, armoured, lead and brass glass, glass blocks, profile glass, organic glass, glass roofs, as well as frames and profiles used for the installation of these types of glass;
  - 5) Machinery and equipment used in construction and installation works, as well as installed equipment and construction objects.
  - 6) Cash in any currency, precious metals and articles thereof, jewelry made of precious stones, stamps, coins, medals, paintings, sculptures, antiques, collections or other works of art;
  - 7) Documents and securities, including shares, bonds, passbooks, bank checks;
  - 8) Acts, plans, accounting and business books and reports, card indexes, disks, diskettes and other electronic media, and information stored on them;
  - 9) Samples, models, prototypes and exhibition samples;
  - 10) Motor vehicles;
  - 11) Automatic machines with coin acceptors, including change machines, as well as machines for dispensing/accepting money along with their contents;
  - 12) Personal belongings of the Insured and his employees located at the place of insurance;
  - 13) Growing crops, standing forests, lawns, shrubs, other plants and plantings; animals.



- 4.10. The insurer shall be exempt from making insurance payment for losses incurred as a result of seizure, confiscation, requisition, arrest or destruction of the insured property by order of state bodies.
- 4.11. The grounds for refusal of the Insurer to make the insurance payment may also be the following:
- 1) Communication by the Insured to the Insurer of knowingly false information about the object of insurance, insurance risk, insured event and its consequences;
  - 2) Intentional failure by the Insured to take measures to mitigate losses from the insured event;
  - 3) Receipt by the Insured/Insured/Beneficiary of the appropriate compensation for property insurance losses from the person guilty of causing the loss;
  - 4) Obstruction by the Insured/Insured/Beneficiary of the Insurer in the investigation of the circumstances of the occurrence of the insured event and in establishing the amount of the loss caused by him;
  - 5) Failure to notify the Insurer of the occurrence of an insured event;
  - 6) Waiver of the Insurant's (Insured's) right of claim to the person responsible for the occurrence of the insured event, as well as refusal to transfer to the Insurer the documents necessary for the transfer of the right of claim to the Insurer. If the insurance payment has already been made, the Insurer has the right to demand its return in full or in part.
- 4.12. The Insurer is exempt from making the insurance payment in terms of those losses that have arisen as a result of the fact that the Insured (Insured) intentionally did not take reasonable and available measures to reduce possible losses.
- 4.13. Insurance payment shall not be made if the Insured/Insured/Beneficiary has not submitted the documents specified in Section 10 of these Rules, or has provided knowingly false information regarding the circumstances of the occurrence of damage and its amount.
- 4.14. The Insurer's refusal to make the insurance payment may be appealed by the Insurant (Insured) in court.
- 4.15. The contract may provide for a different list of exclusions from insurance and other insurance restrictions.

## **5. PROCEDURE FOR DETERMINING THE INSURED AMOUNT. FRANCHISE**

- 5.1. The insurance amount is specified in the Agreement and can be set in the following amount:
- 1) the insured value of the property as of the date of the conclusion of the Agreement;
  - 2) less than the insured value of the property as of the date of conclusion of the Agreement.
- 5.2. The sum insured shall not exceed the insured value (actual value) of the property in respect of which it is insured at the place of its location on the date of conclusion of the Agreement.
- 5.3. In the event that the insured amount under the Agreement is less than the insured value of the property on the date of conclusion of the Agreement, the amount of the insurance indemnity for the insured event is determined in the same proportion as the insured amount relates to the insured value of the property. The correspondence of the insured amount to the insured value of the property is determined for the entire Agreement or for individual property.
- 5.4. The Parties may not dispute the value of the property determined in the contract, except for cases when the Insurer proves that it was intentionally misled by the Insured.

- 5.5. Unless otherwise specified in the Agreement, the insured value of the property is calculated based on the actual value of the property as of the date of conclusion of the insurance agreement, and is determined:
- 1) For equipment, structures, machinery, inventory, household property - based on the cost necessary for the purchase of an item completely similar to the lost (lost), with or without deduction of depreciation (accrued depreciation) or at their book value;
  - 2) For residential buildings, buildings, structures - based on the cost of construction, based on the estimated value, or at the balance cost, completely similar to the lost (destroyed), building in the given area, taking into account wear and tear and taking into account the operational and technical condition of the lost (damaged) structure;
  - 3) For apartments - based on the estimated value of a similar apartment determined at the time of conclusion of the insurance contract;
  - 4) For goods (products) manufactured by the Insured/Insured (both unfinished and finished) - based on the production costs necessary for the reproduction of lost (destroyed) items;
  - 5) For goods located on the trading floor, in the warehouse, for raw materials purchased by the Insured/Insured - their cost at the prices necessary for their repeated purchase;
  - 6) For collateral - based on the estimated (market) value, or on the residual amount of the principal debt as of the date of the insurance contract in accordance with the loan repayment schedule.
- 5.6. By agreement between the Insured and the Insurer, the actual value of the property may be determined on the basis of the agreement of the Parties or an independent expert assessment, if its determination is otherwise difficult and/or may lead to distortion of information about the insured property. In this case, the costs of conducting an independent expert assessment shall be borne by the Insured.
- 5.7. The Agreement may provide for a franchise (conditional or unconditional). The type and amount of the franchise shall be established by agreement between the Insured and the Insurer and shall be specified in the Agreement.
- 5.8. In the case of a conditional deductible, the Insurer is exempt from liability for damage not exceeding the established amount of the deductible, and must compensate for the damage in full if its amount is greater than the deductible. With an unconditional franchise, if the damage does not exceed the established amount of the franchise, then no payment is made, in case of excess, the damage is compensated minus the established franchise.
- 5.9. A deductible can be established for one insured risk or for each insured risk. If there were several insured events or risks, the amount of the franchise is taken into account when calculating the amount of damage for each of them.

## **6. PROCEDURE FOR DETERMINING THE INSURANCE PREMIUM**

- 6.1. The insurance premium is established by the Agreement and means the amount of money that the Insured is obliged to pay to the Insurer for the latter's assumption of the obligation to make the insurance payment determined by the Agreement.
- 6.2. The amount of the insurance premium payable under the Agreement is calculated according to the insurance rates that determine the rate of the insurance premium charged per unit of the insured amount, taking into account the object of insurance and the nature of the insurance risk. Tariffs are determined by the Insurer's internal documents.
- 6.3. Unless otherwise stipulated in the Agreement, the Insured shall pay the insurance premium (insurance premium) within 3 (three) business days after receiving from the Insurer a written confirmation of insurance and the corresponding invoice for payment of the insurance premium (insurance premium). The additional insurance premium shall be paid by the

- Insured within the terms specified in the relevant invoice of the Insurer, but no later than 3 (three) business days after receipt of this invoice, unless otherwise stipulated by the Agreement. Payment of the insurance premium is made in a lump sum or in installments in accordance with the terms of the Agreement.
- 6.4. If the insurance premium or the first insurance premium is not paid on time, the Insurer has the right to terminate the Agreement early from the date of non-payment of the insurance premium. In this case, a written notification of the Insurer to the Insured is not required.
- 6.5. If by the time of the insured event the insurance premium (first insurance installment) is still not paid, the Insurer:
- is exempt from fulfilling its obligations under the Agreement and is not responsible for insured events that occurred during the specified period, or
  - has the right to set off the amount of unpaid insurance premium (insurance premium) when determining the amount of insurance payment.
- 6.6. If the subsequent insurance premium is not paid in a timely manner, the Insurer has the right to assign the Insured a deadline for payment of a certain insurance premium, which is at least 15 (fifteen) calendar days, indicating the legal consequences that occur after the expiration of this period, or to terminate the contract unilaterally ahead of schedule.
- 6.7. In case of delay in payment of the insurance premium (insurance premium), the Insurer has the right to demand compensation for losses, as well as payment of penalties for delay in accordance with Article 353 of the Civil Code of the Republic of Kazakhstan.
- 6.8. When paying the insurance premium in installments, the next insurance premiums not paid in due time are considered deferred in accordance with clause 6.6. Rules. If the Insured is late in payment of the next installment, while the Insurer has postponed the deadline for payment of the insurance payment in accordance with clause 6.6. and an insured event has occurred, the unpaid part of the insurance premium must be paid immediately or the amount of the overdue insurance premium will be deducted from the amount of the insurance payment payable to the Beneficiary is counted against the amount of the overdue insurance premium.
- 6.9. Termination of the Agreement by the Insurer due to non-payment of the insurance premium by the Insured does not release the latter from the obligation to pay the insurance premium for the period during which the insurance coverage was in effect, and the Insurer had to be liable for its obligations to the Insured.
- 6.10. The contract may establish a total insurance premium. The Contract may also establish an insurance premium for each object and/or for each insurance risk, based on the insured amount and the insurance tariff.
- 6.11. The insurer has the right, when determining the amount of the insurance premium to be paid, to use increasing and decreasing coefficients to the basic insurance rates determined depending on the risk factors: equipping the insured premises or property in the insured premises with fire extinguishing means, remoteness from the nearest post of the fire service, emergency and repair services and other characteristics of the insured object.
- 6.12. Payment of insurance premiums is carried out in the national currency of the Republic of Kazakhstan - tenge.
- 6.13. In the case provided for by the Agreement, after making the insurance payment, the Insured has the right to restore the insurance amount under the Agreement by concluding an additional agreement for the remaining insurance period on the terms of these Rules with the payment of an additional insurance premium calculated according to the following formula (for contracts concluded for a year):
- $$Pdop. = SV \times ST \times (N/12),$$
- where Pdop. – additional insurance premium;  
SV is the amount of insurance payment paid;

ST is the insurance rate established in the contract;  
N is the number of full months remaining until the end of the contract.

## **7. PROCEDURE FOR CONCLUDING A CONTRACT**

- 7.1. The Agreement is concluded on the basis of an insurance application filled out by the Insured, which is an integral part of it. The insurer has the right to change the format of the application. In the application, the Insured is obliged to indicate accurate and complete information in accordance with the questions posed by the Insurer. If the Insured indicates false information in the application, the Insurer shall have the right to refuse the Insurant in the insurance indemnity upon the occurrence of an insured event. When filling out the application, the Insured is obliged to inform the Insurer about all the circumstances known to him/her that are essential for the assessment of the insurance risk.
- 7.2. To conclude the Agreement, the Insurer may request additional information and documents characterizing the degree of insurance risk.
- 7.3. The Insurer has the right to refuse to conclude the Agreement with the Insured without giving reasons.
- 7.4. The contract is concluded in writing by:
  - 1) drawing up an insurance contract by the parties;
  - 2) accession of the Insurant to the standard terms of insurance provided for by the legislative acts of the Republic of Kazakhstan, or these Rules (adhesion agreement), and execution by the Insurer of an insurance policy to the Insurant.
- 7.5. In case of loss of the Agreement, the Insurer is obliged to issue a duplicate of the Agreement on the basis of the Insured's written application, after which the lost Agreement is considered invalid, and insurance payments are not made under it, which is recorded on the duplicate.
- 7.6. The contract can be concluded through Internet resources (online). The requirements for the conclusion of the Contract through Internet resources are determined by the legislation of the Republic of Kazakhstan.
- 7.7. At the conclusion of the Agreement, the Insured is obliged to inform the Insurer of the circumstances known to the Insured, which are essential for determining the probability of occurrence of an insured event and the amount of possible losses from its occurrence (insurance risk), if these circumstances are not known and should not be known to the Insurer.
- 7.8. Circumstances expressly stipulated in the Rules or in the written request of the Insurer sent to the Insured during the period of conclusion of the Agreement shall be recognized as material.
- 7.9. The Agreement may not be concluded in the absence of the Insured's answers to the questions specified in the Insurer's written request regarding the essential circumstances.
- 7.10. If the Agreement is concluded in the absence of the Insured's answers to any questions of the Insurer, the latter may not subsequently demand termination of the Agreement or its invalidation on the basis that the relevant circumstances were not reported by the Insured.
- 7.11. By signing the application and/or paying the insurance premium, the Insured confirms his consent and allows the Insurer to collect and process his personal data in accordance with the Law of the Republic of Kazakhstan "On Personal Data and Their Protection" for the Insurer to fulfill its obligations under the Agreement.
- 7.12. If necessary, the Insurant undertakes to provide all the necessary documents requested by the Insurer in order to comply with the requirements of the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds from crime and the financing of terrorism.

7.13. By agreement of the parties, other conditions may be included in the Agreement.

## **8. TERM AND PLACE OF THE CONTRACT. PROLONGATION**

- 8.1. Unless otherwise provided for in the Agreement, the Agreement shall enter into force and become binding on the parties from the moment the Insured pays the insurance premium, and if it is paid in installments, the first insurance premium.
- 8.2. Unless otherwise provided for in the Agreement, the term of the concluded Agreement shall correspond to the insurance period specified therein.
- 8.3. Unless otherwise provided for in the agreement, the insurance cover begins at 00 a.m. of the day following the day of receipt of the insurance premium from the Insured to the Insurer's bank account or cash desk, and if it is paid in installments, the first insurance installment.
- 8.4. In the event that the Insurer provides preliminary insurance coverage, the Insurance Agreement shall enter into force on the date specified in its written confirmation of the provision of such protection, provided that the Insured pays the insurance premium within the terms specified by the Insurer.
- 8.5. The Insurer does not compensate for the damage caused to the Insured as a result of an insured event that occurred before the start of the insurance coverage under the Agreement.
- 8.6. The period of validity of the insurance cover ends within the period specified in the Agreement.
- 8.7. The territory of insurance coincides with the location of the property, unless otherwise follows from the nature of the insured object or otherwise provided for in the Agreement.
- 8.8. The location of the property is the buildings, premises and plots of land where the insured property is located. The location (Address) of the insurance territory is specified in the Agreement.
- 8.9. Unless otherwise provided for in the Agreement, movable property is considered insured only if it is located within the territory of insurance during the validity period of the Insurance Agreement.
- 8.10. At the same time, cash registers, cash machines and machines with coin acceptors (including change machines) are not special storages.
- 8.11. Unless otherwise stipulated by the Agreement, the Agreement may be concluded for a period of less than 1 (one) year, and the insurance premium is set in the following amounts from the annual premium, where an incomplete month is considered as a full month:

Validity period of insurance coverage	Amount of insurance premium in % of the annual insurance premium
1 month or less	20
2 months	30
3 months	40
4 months	50
5 months	60
6 months	70
7 months	75
8 months	80
9 months	85

10 months	90
11 months	95

- 8.12. In case of insurance for a period of more than 1 (one) year, the total insurance premium under the contract is established as the amount of insurance premiums for each year.
- 8.13. Unless otherwise provided by the Agreement, the Agreement may be extended for the next term by agreement of the parties, provided that one of the parties notifies one of the parties thereof 30 (thirty) calendar days before the date of termination of the Agreement.
- 8.14. Unless otherwise provided by the Agreement, the Agreement shall be terminated at 00:00 on the day specified in the Agreement as the date of termination of the Agreement, or when the Insurer makes an insurance payment (insurance payments) in the amount of the insurance amount under the Agreement.

## 9. RIGHTS AND OBLIGATIONS OF THE PARTIES

### 9.1. The insurer has the right to:

- 1) check the information and documents provided by the Insurant (Insured), as well as the fulfillment by the Insurant (Insured) of the requirements and terms of the Agreement;
- 2) to assess the insurance risk;
- 3) check at any time the existence of circumstances contributing to the occurrence of risk;
- 4) to participate in the inspection of the damaged property, to find out the causes and amount of the loss;
- 5) upon receipt of a notification of the circumstances entailing an increase in the insurance risk, demand a change in the terms of the Agreement or payment of an additional insurance premium in proportion to the increase in risk;
- 6) to demand termination of the Agreement if the Insured fails to comply with the obligation to inform the Insurer about significant changes in the circumstances that have become known to him/her and reported to the Insurer at the conclusion of the Agreement, if these changes may significantly affect the increase in insurance risk, or if the Insured objects to change the terms of the Agreement or additional payment of the insurance premium in proportion to the increase in the degree of risk;
- 7) independently find out the causes and circumstances of the event that has signs of an insured event, including requesting from the relevant state bodies and organizations, based on their competence, documents confirming the fact of occurrence of the insured event and the amount of damage caused;
- 8) to require from the Insurant (Insured) the information necessary to establish the fact of occurrence of the insured event, the circumstances of its occurrence;
- 9) refuse to make an insurance payment in full or in part on the grounds provided for in these Rules and the Agreement;
- 10) demand termination of the Agreement in case of violation by the Insured (Insured) of the terms of these Rules and the Agreement;
- 11) suspend/refuse to carry out transactions with money and (or) other property under the Agreement in order to comply with the legislation on combating the legalization (laundering) of proceeds from crime and the financing of terrorism;
- 12) perform other actions provided for by these Rules or the Contract or the current legislation of the Republic of Kazakhstan.

**9.2. Obligations of the Insurer:**

- 1) familiarize the Insured with these Rules and, at his request, submit (send) a copy of these Rules;
- 2) ensure the secrecy of insurance;
- 3) make an insurance payment or send a written reasoned refusal to make an insurance payment to the Insurant in accordance with the terms of these Rules and the Insurance Agreement;
- 4) reimburse the Insured (Insured) or the Beneficiary for reasonable and reasonable expenses incurred by him/her to reduce losses in the event of an insured event;
- 5) in cases where the Insured (Insured) or the Beneficiary or their representative fails to submit all the documents necessary for making the insurance payment, notify them of the missing documents within 10 (ten) working days from the date of establishing the fact of shortage of documents;
- 6) perform other actions provided for by these Rules or the Contract or the current legislation of the Republic of Kazakhstan.

**9.3. The insured has the right to:**

- 1) require the Insurer to explain the terms and conditions of insurance, its rights and obligations under these Rules and the Agreement;
- 2) to receive a duplicate of the Agreement, in case of loss of the original;
- 3) to the secrecy of insurance;
- 4) to early termination of the Agreement;
- 5) receive insurance payment in the manner and on the terms provided for by the Agreement, if the Insured is the Beneficiary under the Agreement;
- 6) to challenge in the manner established by the legislation of the Republic of Kazakhstan, the Insurer's refusal to make the insurance payment or to reduce its amount;
- 7) perform other actions provided for by these Rules or the Contract or the current legislation of the Republic of Kazakhstan.

**9.4. Obligations of the Insured:**

- 1) when entering into the Agreement, inform the Insurer of all circumstances known to it that are essential for the assessment of insurance risk and the Insurer's decision to conclude the Agreement;
- 2) at the conclusion and during the term of the Agreement, inform the Insurer about all current/concluded insurance contracts for similar risks in relation to this insured object;
- 3) pay the insurance premium in the amount, procedure and terms established by the Agreement;
- 4) during the validity period of the Agreement, immediately, but not later than 3 (three) business days from the moment when he became aware, inform the Insurer about changes in the state of insurance risk;
- 5) take measures to prevent or reduce losses from an insured event;
- 6) if the Insurer considers it necessary to appoint its representative to protect the interests of both the Insurer and the Insured in connection with the occurrence of an event that has signs of an insured event, to issue a power of attorney or other necessary documents to protect such interests to the persons specified by the Insurer;
- 7) obtain the consent of the Insured to conclude the Agreement, if the Insured is not the Insured and the Agreement imposes certain obligations on the Insured;
- 8) comply with the terms of insurance (violation of the terms of the contract by the Insured is regarded as a violation of the terms of the Agreement by the Insured);

- 9) notify the Insurer of the occurrence of an insured event within the time limits established by these Rules and (or) the Agreement;
- 10) in case of an increase in the degree of risk, make changes to the Agreement and/or pay an additional insurance premium within 3 (three) business days from the date of receipt by the Insured of the Insurer's notice of amendment of the Agreement and/or additional payment of the insurance premium;
- 11) take measures to prevent or reduce losses from an insured event;
- 12) provide the Insurer with all the information at its disposal that allows to judge the causes, course and consequences of the insured event, the nature and amount of the loss caused;
- 13) ensure the transfer to the Insurer of the right of claim to the person responsible for the occurrence of the insured event;
- 14) provide all documents and information requested by the Insurer necessary to comply with the requirements of the legislation of the Republic of Kazakhstan;
- 15) comply with all fire safety measures, including the instructions of the fire protection authorities, as well as eliminate violations of fire safety rules within the time limits established by the authorized body;
- 16) perform other actions provided for by these Rules or the Agreement and the current legislation of the Republic of Kazakhstan.

**9.5. The beneficiary has the right to:**

- 1) require the Insurer to explain the terms of insurance, its rights and obligations under these Rules and (or) the Agreement;
- 2) submit a claim for insurance payment to the Insurer;
- 3) in the event of an insured event, receive an insurance payment in the manner and on the terms provided for by these Rules and (or) the Agreement;
- 4) to challenge in the manner established by the legislation of the Republic of Kazakhstan, the Insurer's refusal to make the insurance payment or to reduce its amount;
- 5) notify the Insurer of the occurrence of an insured event under all circumstances, regardless of whether the Insured or the Insured did it or not;
- 6) perform other actions provided for by these Rules or the Contract or the current legislation of the Republic of Kazakhstan.

9.6. The list of rights and obligations of the parties to this section is not exhaustive, certain obligations of the parties are provided for in other sections of these Rules, and may be supplemented / expanded / reduced / changed in the Agreement.

## **10. ACTIONS IN THE EVENT OF AN INSURED EVENT**

10.1. The Insured/Insured/Beneficiary, after becoming aware of the occurrence of events that have signs of an insured event, is obliged to:

- 1) take all possible and appropriate measures to prevent or mitigate damage, including measures to save and preserve property;
- 2) immediately inform the competent authorities about the insured event in any available form, subsequently confirming your application in writing;
- 3) immediately, but in any case no later than 3 (three) business days from the moment when the Insured/Insured/Beneficiary became aware of the occurrence of the event that has signs of an insured event, inform the Insurer in writing about the insured event;



- 4) to preserve the damaged property (if it does not contradict the interests of safety or will not lead to an increase in damage) until it is inspected by the Insurer in the form in which it was at the time of its damage/destruction;
  - 5) provide the Insurer with the opportunity to inspect the damaged property without hindrance, participate in measures to mitigate losses and save property;
  - 6) assist the Insurer in clarifying the causes and circumstances of the occurrence of the insured event, including providing the Insurer with all information and documentation available to it, allowing to judge the causes, course and consequences of the insured event, the nature and extent of the damage caused;
  - 7) immediately notify the Insurer in writing of receipt of any compensation (compensation) for losses caused as a result of the insured event from third parties;
  - 8) bear the burden of proof of the occurrence of the insured event, as well as the losses caused by it, including payment for the examination, visit of experts to the scene of the accident, involvement and consultations of specialists, collection of necessary documents;
  - 9) transfer to the Insurer all documents and evidence and provide it with all the information necessary for the Insurer to exercise the right of claim transferred to it against the person responsible for the damage caused. If the Insurant/Insured/Beneficiary has waived his/her right of claim against the person liable for losses compensated by the Insurer, or the exercise of this right has become impossible due to the fault of the Insurant/Insured/Beneficiary, the Insurer shall be released from making the insurance payment in full or in the relevant part and shall have the right to demand the return of the overpaid amount;
  - 10) if the Insurer deems it necessary to appoint its representative to protect the interests of both the Insurer and the Insured/Insured/Beneficiary, in connection with the occurrence of an insured event, to issue a power of attorney or other necessary documents to protect such interests to the persons specified by the Insurer. The Insurer shall have the right, but not the obligation, to represent the interests of the Insured/Insured/Beneficiary in court or otherwise exercise legal protection of the Insured/Insured/Beneficiary in connection with the occurrence of an insured event;
  - 11) perform other actions provided for by these Rules, the Contract and/or the legislation of the Republic of Kazakhstan.
- 10.2. If the Policyholder/Insured/Beneficiary fails to fulfill the obligations specified in clause 10.1. of these Rules, the Insurer has the right to refuse to compensate for damage. If the lost (stolen) property was not reported or reported to the competent authorities in violation of the terms specified in subparagraph 2) of paragraph 10.1. of these Rules, the Insurer shall be released from the obligation to make the insurance payment only in the part relating to this property.
- 10.3. The insurer and its representatives have the right to participate in the rescue and preservation of the insured property, taking and indicating the necessary measures for this, but these actions of the insurer or its representatives cannot be considered as recognition of its obligation to make insurance payment. If the Insured prevents the rescue and preservation of the insured property, the insurance indemnity is reduced to the extent that this led to an increase in the loss.
- 10.4. Failure to notify the Insurer of the occurrence of the insured event within the stipulated period gives it the right to refuse the insurance payment.

## 11. DOCUMENTS REQUIRED FOR CONSIDERATION OF THE ISSUE OF INSURANCE PAYMENT

- 11.1. To consider the issue of insurance payment, the Insured/Insured/Beneficiary is obliged to provide the Insurer with the following documents:
- 1) application for insurance payment;
  - 2) a copy of the Agreement;
  - 3) an application for the occurrence of an event that has signs of an insured event;
  - 4) documents confirming the right to own, use and/or dispose of the insured property,
  - 5) documents for due diligence of the Insured, the Insured and the Beneficiary (his/her representative) and the beneficial owner in accordance with the legislation of the Republic of Kazakhstan;
  - 6) Documents of the competent authorities confirming the occurrence of the insured event, the causes of its occurrence and the amount of losses caused by it, including:
    - 1) acts, conclusions, other documents of fire and law enforcement agencies, hydrometeorological services, emergency services, emergency departments, state commissions or other organizations, indicating the calendar date, cause and circumstances of the damage and persons guilty of causing damage (if any);
    - 2) documents of the prosecutor's office, investigation, inquiry, judicial authorities, fire supervision bodies (decisions on the progress of a criminal case (on initiation, refusal to initiate, suspension, termination), protocol of inspection of the scene of the incident, decisions on the involvement as an accused, court verdict);
    - 3) documents of other competent authorities investigating, classifying and recording events considered in the Agreement as insured events, or confirming the fact of occurrence of an insured event.
  - 7) documents ensuring the transfer to the Insurer of the right of claim to the person responsible for the occurrence of the insured event;
  - 8) a document confirming the amount of damage caused (conclusions of independent appraisal organizations accredited by the authorized body; consignment notes and checks, acts of delivery and acceptance of work, calculations, estimates for repair and restoration work, etc.);
  - 9) at the request of the Insurer - an act of lost and/or damaged property indicating the amount and degree of damage, drawn up by a commission with the participation of employees (representatives) of the Insurer and the Insured/Insured/Beneficiary no later than 1 (one) month from the date of occurrence of the insured event.
- 11.2. The specific list of documents is determined by the Insurance Agreement.
- 11.3. The procedure and form of drawing up the submitted documents shall comply with the requirements of the legislation of the Republic of Kazakhstan, if it is provided for them. Unless otherwise provided for by the Agreement, the documents shall be submitted to the Insurer in the original or in the form of a copy notarized or certified by the original seal and signed by an authorized person of the competent organization.
- 11.4. In order to obtain more complete information about the event that has occurred, the Insurer has the right to request information from the competent authorities (internal affairs bodies, fire supervision, emergency technical services, emergency services of the gas network), enterprises, institutions and organizations that have information about the circumstances of the occurrence of the event, as well as to independently find out the causes and circumstances of its occurrence.
- 11.5. If necessary, work to determine the causes of the occurrence of the event and the amount of loss on behalf of the Insurer may be carried out by independent experts, appraisers, traffic safety inspectors and/or adjusters.

## 12. PROCEDURE AND CONDITIONS FOR MAKING INSURANCE PAYMENTS

- 12.1. Upon receipt of a written statement from the Insured/Insured/Beneficiary on the occurrence of an event that has signs of an insured event, as well as providing a complete list of documents necessary for the Insurer to make a decision on the claimed event, the Insurer shall perform the following actions:
  - 1) establishes the fact of occurrence of an event that has signs of an insured event; check the compliance of the information provided in the Insured's application;
  - 2) verifies the interest of the Insured/Insured/Beneficiary in the preservation of the insured property;
  - 3) determines the need to involve experts, traffic safety inspectors, performs other actions;
  - 4) if the event is recognized as an insured event, determines the amount of insurance payment, draws up an act on the insured event.
- 12.2. The insurance payment shall be made by the Insurer to the Beneficiary within the limits of the insured amount. The insurance indemnity may not exceed the amount of actual damage incurred by the Insured/Insured as a result of the occurrence of the insured event.
- 12.3. Unless otherwise specified in the contract, the insurance payment is made for each insured object taking into account the franchise (conditional, unconditional) and the insurance amount specified in the contract.
- 12.4. If the insured amount is less than the insured value of the property as of the date of conclusion of the Agreement, the insurance indemnity shall be made in proportion to the ratio of the insured amount to the insured value of the property as of the date of conclusion of the Agreement. If the insured amount exceeds the insured value of the property as of the date of conclusion of the Agreement, the insurance is invalid to the extent exceeding the insured value of the property as of the date of conclusion of the Agreement. The fact of discrepancy between the insured amount and the insured value of the property may be established by the Insurer upon the occurrence of an insured event.
- 12.5. The amount of damage shall be determined by the Insurer on the basis of the documents submitted by the Insured/Insured/Beneficiary and/or an independent appraiser recommended by the Insurer.
- 12.6. Unless otherwise specified in the contract, the amount of damage shall be determined based on the procedure for determining the insured value of the property in accordance with paragraph 12.4 of these Rules minus the accrued depreciation (depreciation) of the property that occurred before the occurrence of the insured event.
- 12.7. Unless otherwise specified in the contract, in case of total loss of property (destruction of property, in which an independent expert appraiser who has the appropriate certificate will establish the inexpediency of restoration repairs; as well as the cost of restoration repairs will be more than 70% of the actual value of the property as of the date of occurrence of the insured event), the Insurer has the right to pay the Insured:
  - 1) The actual value of the damaged property at the time of the insured event minus the value of the balances suitable for further use;
  - 2) The actual value of the damaged property at the time of the insured event, provided that the Insured/Insured/Beneficiary transfers to the Insurer the balances suitable for further use. All costs associated with the transfer of ownership and/or property/usable balances are not covered by insurance.
- 12.8. The insurance payment is made minus the amounts received as compensation for this damage from third parties.
- 12.9. If the Insured/Insured/Beneficiary has received compensation from the person responsible for the damage caused, the Insurer shall make an insurance payment in the amount of the

difference between the amount of actual damage caused and the compensation received from the said person, provided that the amount of insurance payment calculated in accordance with this clause does not exceed the amount of the franchise provided for in the Agreement.

- 12.10. If, after making the insurance payment, the Insured/Insured/Beneficiary has received compensation from the person responsible for the damage caused, he/she shall be entitled only to a part of the insurance indemnity calculated in accordance with the clauses of these Rules, in connection with which the Insurer shall have the right to demand a refund of the excess amount of the insurance indemnity paid, and the Insured/Insured/Beneficiary who has received compensation from the person responsible for the damage caused, is obliged to return to the Insurer the excessively received amount of insurance payment.
- 12.11. If the amount of damage in the case of an unconditional franchise does not exceed the amount of the unconditional deductible, the Insurer is exempt from making the insurance payment. If the damage exceeds the amount of the unconditional deductible, then when determining the amount of insurance payment, the franchise is deducted from the amount of damage.
- 12.12. In the case of a conditional deductible, the Insurer is exempt from liability for damage not exceeding the established amount of the deductible, and must compensate for the damage in full if its amount is greater than the deductible.
- 12.13. The insurer shall have the right to the property or its balances in case of insurance payment in the amount of the insured value of the property determined in accordance with paragraph 12.4 of these Rules.
- 12.14. The Insured is not entitled to refuse the property remaining after the insured event, although damaged, if the Insurer has not given its written consent to the right to the property, in accordance with these Rules.
- 12.15. The insurer may replace the insurance payment with compensation for damage in kind within the amount of the insurance payment.
- 12.16. In case of double property insurance (insurance of the same insured object with several Insurers under independent contracts with each), each insurer is liable to the Insured within the limits of the contract concluded with it, however, the total amount of insurance payments received by the Insured from all insurers cannot exceed the actual damage within the insurance amount as of the date of conclusion of the contract.
- 12.17. Expenses incurred by the Insured/Insured in order to prevent or mitigate losses shall be reimbursed by the Insurer, if such expenses were necessary or were incurred to comply with the instructions of the Insurer, even if the relevant measures were unsuccessful.
- 12.18. Such expenses are reimbursed in actual amounts, but so that the total amount of insurance payment and compensation for expenses does not exceed the insurance amount (maximum amount of liability) provided for by the contract. If the expenses have arisen as a result of the Insured's instructions being fulfilled by the Insured/Insured, they shall be reimbursed in full, regardless of the sum insured.
- 12.19. If agreed and specified in the Agreement, the Insurer shall reimburse the following expenses of the Insured/Insured/Beneficiary incurred as a result of the insured event:
  - 1) For clearing the territory, including the demolition of the remaining parts of the insured property, including buildings, removal of garbage and other residues to the nearest landfill site, storage and destruction (costs of clearing and demolition).
  - 2) For fire extinguishing, if the Insured and the Insurer have recognized these expenses as appropriate;
  - 3) For transportation and security - such expenses are associated with the fact that when restoring or installing the insured property in its former place, it may be necessary to move, change or ensure the protection of other property. This includes, for example,

the costs of dismantling and erecting machinery and equipment when moving, demolishing and restoring walls and parts of buildings or when expanding existing openings.

Other additional expenses of the Insured/Insured/Beneficiary arising as a result of the occurrence of the insured event. The Insured's expenses are subject to reimbursement only if it is specifically stipulated in the Agreement and if the damage caused to the Insured by the destruction, damage or loss of the insured property is subject to compensation.

- 12.20. Unless otherwise specified in the Agreement, the Agreement under which the insurance payment has been made remains in force until the end of its validity period in the amount of the insurance amount equal to the difference between the insurance amount stipulated by the Agreement and the amount of the insurance payment made.
- 12.21. The Insurer, after receiving all the necessary documents for making a decision on insurance payment, within 15-fifteen days, or within the period determined by the agreement of the parties, makes a decision on insurance payment or refusal of insurance payment, which shall inform the Insured/Insured/Beneficiary in writing.
- 12.22. The Insurer shall make the insurance payment to the Insured/Beneficiary within 15-fifteen days after the decision on the insurance payment is made, or within the period determined by agreement of the parties. At the same time, the term of the insurance payment may be suspended for 6 (six) months if it is necessary to obtain additional documents and (or) information on the claimed insurance event: if it is necessary to apply to law enforcement agencies and other organizations, having information about the circumstances of the claimed insured event; as well as for the purpose of complying with the legislation on combating the legalization (laundering) of proceeds from crime and the financing of terrorism.
- 12.23. The deadline for consideration of documents and making insurance payment under voluntary insurance contracts of Insurants - individuals, after submission of all necessary documents to the Insurer, is no more than 15 (fifteen) business days.
- 12.24. In the event that the decision to make the insurance payment cannot be made within the established time limits, additional information or data to the submitted documents is required, the Insurer shall notify the Insurant – individual (Insured, Beneficiary) with an explanation of the reasons for the need to extend the terms of insurance payment. At the same time, the period does not exceed 15 (fifteen) working days from the date of the deadline for consideration of documents for insurance payment, under voluntary insurance contracts of Insurants - individuals.
- 12.25. The procedure for consideration of insured events is carried out in writing and in electronic form by exchanging electronic information resources between the Insurer, the Insured (Insured, Beneficiary) and the organization for the formation and maintenance of the database.
- 12.26. The procedure for the exchange of electronic information resources between the organization for the formation and maintenance of the database and the Insurer, the Insurer and the Insurant (Insured, Beneficiary) shall be determined by the regulatory legal act of the authorized body.

### **13. CONSIDERATION BY THE INSURER OF THE ISSUE OF INSURANCE PAYMENT**

- 13.1. Based on the results of consideration of the documents submitted by the Insured (Insured, Beneficiary) to confirm the occurrence of the insured event and the amount of damage caused, the Insurer shall take one of the following actions:
  - 1) makes an insurance payment.
  - 2) refuses to make an insurance payment

- 3) makes a decision on the impossibility to make or refuse to make an insurance payment.
- 13.2. The insurer shall make the insurance payment or refuse to make the insurance payment in the manner specified in these Rules.
- 13.3. The Insurer's decision on the impossibility to make or refuse to make the insurance payment shall be made if it is impossible to establish from the submitted documents the circumstances of the event that has occurred, the amount of damage caused as a result of the occurrence of such an event, the fulfillment by the Insurant (the Insured, the Beneficiary) of its obligations.
- In turn, the impossibility of establishing the circumstances specified in the Insurer's decision does not allow the Insurer to make a decision on making or refusing to make an insurance payment, taking into account the provisions of the Insurance Rules, the terms of the Insurance Agreement/Appendices to these Rules.
- 13.4. In this case, the Insurer in its decision shall indicate which circumstances of the event and/or the amount of damage caused as a result of the occurrence of such an event, the facts of the Insured's (Insured, Beneficiary's) fulfillment of its obligations, cannot be established and what actions the Insured (Insured, Beneficiary) should take.
- 13.5. The Insurer's decision on the impossibility to make or refuse to make the insurance payment shall be made in writing within 5 (five) business days from the date of submission by the Insurant (Insured, Beneficiary) of the package of documents.

#### **14. SUBROGATION**

- 14.1. The Insurer who made the payment shall receive the right of claim that the Insured/Beneficiary has against the person responsible for losses compensated as a result of insurance within the amount paid.
- 14.2. Upon receipt of the insurance indemnity, the Insurant/Beneficiary shall be obliged to transfer to the Insurer all documents and evidence and provide it with all the information necessary for the Insurer to exercise the right of claim transferred to it.
- 14.3. If the Insured/Beneficiary has waived his/her right of claim against the person responsible for the losses compensated by the Insurer, or the exercise of this right has become impossible due to the fault of the Insured/Beneficiary, the Insurer shall be released from making the insurance payment in full or in the relevant part and shall have the right to demand the return of the overpaid amount.

#### **15. AMENDMENTS AND ADDITIONS TO THE AGREEMENT**

- 15.1. Amendments and additions to the Agreement are made by mutual consent of the parties, on the basis of a written application (notification) of one of the Parties.
- 15.2. Cases of amendments to the terms of the agreement:
- change of the object of insurance;
  - change in the information provided at the conclusion of the insurance contract;
  - change in the validity period of insurance coverage;
  - other cases in accordance with the legislation of the Republic of Kazakhstan.
- 15.3. From the moment of receipt of the application of one of the Parties until the moment of making a decision, the Agreement is valid on the same terms.
- 15.4. Amendments and additions to the Agreement concluded in accordance with these Rules shall be formalized by drawing up and signing an additional agreement to the Agreement.
- 15.5. All changes and additions to the Agreement are legally binding subject to their written execution and signing of an additional agreement by authorized representatives of both Parties.

## 16. TERMS OF TERMINATION OF THE CONTRACT

- 16.1. In addition to the general grounds for termination of obligations, as well as the grounds for early termination of the Contract provided for by the legislation of the Republic of Kazakhstan, the Contract shall be terminated early in the following cases:
- 1) the Insurer makes an insurance payment for the first insured event. If it is expressly stipulated by the Agreement, it shall be terminated when the Insurer makes an insurance payment (insurance payments) in the amount of the insurance amount under the Agreement;
  - 2) non-payment by the Insured of the next insurance premium when paying the insurance premium in installments;
  - 3) expiration of the Agreement;
  - 4) cancellation of the Agreement at the initiative of the Insured;
  - 5) cancellation of the Agreement at the initiative of the Insurer;
  - 6) in cases established by the legislation of the Republic of Kazakhstan or the Agreement.
- 16.2. In these cases, the Agreement shall be deemed terminated from the moment of occurrence of the circumstance provided for as a ground for termination of the Agreement, of which the interested party shall immediately notify the other party. The insured is obliged to provide supporting documents on the grounds of termination provided for in this paragraph.
- 16.3. In case of termination of the Agreement on the grounds specified in subparagraphs 1) - 4) of paragraph 16.1. of these Rules, insurance premiums paid to the Insurer are not refundable, unless otherwise provided for in the Agreement.
- 16.4. Upon termination of the Agreement on the grounds specified in subparagraphs 5) - 6) of paragraph 16.1. of these Rules, the insurance premiums paid to the Insurer are subject to refund: part of the insurance premium for the unexpired insurance period minus the costs incurred for conducting business, the amount of which is 30% of the total amount of the insurance premium, within 30 calendar days from the date of submission to the Insurer of an application for early termination of the Agreement, unless otherwise provided by the legislation of the Republic of Kazakhstan or the Agreement. The contract may establish a different procedure, term and conditions for termination of the contract.
- 16.5. In case of refusal of the Insured-individual from the Insurance Agreement, within fourteen calendar days from the date of its conclusion, the Insurer shall be obliged to return to the Insurant-individual the insurance premium (insurance premiums) received minus a part of the insurance premium (insurance premiums) in proportion to the time during which the insurance was in effect and the costs associated with the termination of the Insurance Agreement, not exceeding ten percent of the insurance (received) received premiums (insurance contributions).
- 16.6. In case of refusal of the Insurant-individual from the Insurance Agreement related to the loan agreement, due to the fulfillment by him (the borrower) of obligations to the lender under the loan agreement, the Insurer shall be obliged to return to the Insurant-individual the received insurance premium (insurance premiums) minus a part of the insurance premium (insurance premiums) in proportion to the time during which the insurance was in effect, and the costs associated with the termination of the Insurance Agreement, not exceeding ten percent of the insurance premium (insurance premiums) received.
- 16.7. In cases where early termination of the Agreement is caused by non-fulfillment of its terms through the fault of the Insurer, the latter is obliged to return to the Insured the insurance premium or insurance premiums paid by him in full.

## **17. LIABILITY OF THE PARTIES**

- 17.1. In case of untimely implementation of insurance payment, the Insurer is obliged to pay a penalty to the Beneficiary in the manner and amount established by Article 353 of the Civil Code of the Republic of Kazakhstan.
- 17.2. A party that has not fulfilled or improperly fulfilled its obligations under the Agreement shall not be liable for non-fulfillment/improper fulfillment of obligations if it proves that proper performance was impossible due to force majeure, that is, extraordinary and unavoidable circumstances under the given conditions.
- 17.3. Force majeure includes, but is not limited to: floods, fires, earthquakes and other natural disasters, wars or military actions of any nature, blockades, prohibitions of public authorities. A specific list of force majeure circumstances may be provided for in the Agreement.
- 17.4. The party experiencing force majeure is obliged to notify the other party of the occurrence of such circumstances within 3 (three) business days, unless otherwise provided for in the Agreement.
- 17.5. The effect of force majeure circumstances must be confirmed by the relevant documents of the competent authorities.
- 17.6. The liability of the parties provided for in this section may be changed (supplemented) in accordance with the terms of the Agreement.

## **18. DISPUTE RESOLUTION PROCEDURE**

- 18.1. Any disputes and/or disagreements arising out of or in connection with the Agreement shall be resolved through negotiations.
- 18.2. In the event of disputes, the Parties are obliged to comply with the following pre-trial dispute settlement procedure:
  - In the event of a dispute, the Party is obliged to file a written claim with the other Party and receive a response to the claim. If the Party refuses to satisfy the requirements set forth in the claim, or does not give a written response to the claim within 15 (fifteen) business days from the date of receipt of the claim, or fails to take actions evidencing partial or full recognition of the claim, the Party shall apply to the insurance ombudsman to resolve the dispute. Resolution of the dispute, in fact, by the insurance ombudsman is a mandatory stage of compliance with the pre-trial stage of dispute resolution. At the same time, the execution of the decision of the insurance ombudsman for the Insured (Insured, Beneficiary) is not mandatory.
  - In the event of a dispute regarding the contestation of the amount of insurance payment, the Insurant (Insured, Beneficiary) shall be obliged to receive the undisputed part of the insurance payment, after which he shall perform the actions specified in subparagraph 1) of this paragraph.
- 18.3. If an agreement is not reached and it is impossible to settle the dispute in a pre-trial manner, the Parties file a claim with the court of the Medeu district of Almaty (if one party to the dispute is an individual or) or the specialized inter-district economic court of Almaty (if the dispute is between legal entities or individual entrepreneurs), that is, contractual jurisdiction is established.
- 18.4. These Insurance Rules are drawn up in 2 (two) copies in the state and Russian languages. In case of discrepancy between the content of the text of these Rules drawn up in the state language and the content of the text of these Rules drawn up in Russian, the Parties shall be guided by the text of these Rules drawn up in Russian.



## **19. ADDITIONAL CONDITIONS**

- 19.1. Everything that is not stipulated by these Rules is regulated in accordance with the legislation of the Republic of Kazakhstan.
- 19.2. By agreement of the parties, the concluded Agreement (Insurance Program) may include conditions providing for the amendment, exclusion of certain provisions of these Rules, as well as additional conditions determined at the conclusion of the Agreement (in the Insurance Program).