

**"APPROVED"**

**Minutes of the Board of Directors**

**Insurance Company Basel JSC**

**Minutes No 01/24 dated January 10, 2024**

# **RULES**

**COMPULSORY INSURANCE**

**OF CIVIL LIABILITY**

**OWNERS OF FACILITIES WHOSE ACTIVITIES ARE ASSOCIATED WITH THE**

**DANGER OF CAUSING HARM TO THIRD PARTIES**

**BASEL INSURANCE COMPANY JSC**

**Almaty 2024**

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## 1. GENERAL PROVISIONS

- 1.1.** These Rules of Compulsory Insurance of Civil Liability of Owners of Facilities Whose Activities Are Associated with the Danger of Causing Harm to Third Parties (hereinafter referred to as the Rules) have been developed in accordance with the Civil Code of the Republic of Kazakhstan dated December 27, 1994 No. 268-XIII, the Law of the Republic of Kazakhstan dated July 7, 2004 No. 580-II "On Compulsory Insurance of Civil Liability of Owners of Facilities Whose Activities Are Associated with the Danger of Causing Harm to Third Parties" (hereinafter referred to as the Law), regulate social relations arising in the field of compulsory insurance of civil liability of owners of facilities whose activities are associated with the danger of causing harm to third parties, and establish the legal, economic and organizational basis for its implementation.
- 1.2.** If an international treaty ratified by the Republic of Kazakhstan establishes rules other than those contained in these Rules, the rules of the international treaty shall apply.
- 1.3.** Basic concepts used in these Rules:
- 1) **accident** - destruction of buildings, structures and (or) technical devices used at a hazardous production facility, uncontrolled explosion and (or) release of hazardous substances;
  - 2) **incident** - failure or damage to technical devices used at a hazardous production facility, deviation from the parameters that ensure the safety of the technological process, which did not lead to an accident;
  - 3) **hazardous production factor** is a physical phenomenon that occurs in accidents, incidents at hazardous production facilities, causing harm to the life, health and (or) property of third parties;
  - 4) **owner of the facility, the activity of which is associated with the danger of causing harm to third parties**, is an individual and (or) legal entity owning the facility, the activity of which is associated with the danger of causing harm to third parties, on the basis of the right of ownership, the right of economic management or the right of operational management or on any other legal basis;
  - 5) **civil liability of the owner of the facility, the activities of which are associated with the danger of causing harm to third parties** - the obligation of individuals and (or) legal entities established by the civil legislation of the Republic of Kazakhstan to compensate for damage caused to life, health and (or) property of third parties by a hazardous production factor;
  - 6) **Beneficiary** – a person who is a recipient of insurance payment in accordance with this Law;
  - 7) **insured event** – an event, upon occurrence of which the contract of compulsory liability insurance of owners of facilities, the activities of which are associated with the danger of causing harm to third parties, provides for the implementation of insurance payment;

- 8) **insurance ombudsman** – an independent individual who settles disagreements between participants of the insurance market in accordance with the Law of the Republic of Kazakhstan "On Insurance Activities";
- 9) **insurance amount** – the amount of money for which the object of compulsory insurance is insured and which is the maximum amount of liability of the insurer in the event of an insured event;
- 10) **insurance premium** – the amount of money that the insurant is obliged to pay to the insurer for the latter's assumption of obligations to make an insurance payment to the insurant (beneficiary) in the amount determined by the contract of compulsory liability insurance of property owners;
- 11) **insurance indemnity** – the amount of money paid by the insurer to the insured (beneficiary) within the insured amount in the event of an insured event;
- 12) **Insurer** – a legal entity registered as an insurance organization and licensed to carry out insurance activities, obliged to make an insurance payment to the insurant or other person (beneficiary) within the amount (insurance amount) specified in the contract in the event of an insured event;
- 13) **insured** – a person in respect of whom insurance is carried out;
- 14) **Insurant** – a person who has entered into a contract of compulsory insurance of civil liability of the owner of the facility with the insurer, whose activity is associated with the danger of causing harm to third parties. Unless otherwise provided by the insurance agreement, the insurant is at the same time the insured;
- 15) **authorized body** – a central executive body that manages and coordinates inter-sectorally, develops and implements state policy in the field of industrial safety;
- 16) **third party** - a person whose life, health and (or) property was damaged by a hazardous production factor.  
Employees and owners of the facility, the activities of which are associated with the danger of causing harm to third parties, are not third parties.
- 17) **organization for the formation and maintenance of a database (hereinafter referred to as the organization)** is a non-profit organization established in the organizational and legal form of a joint-stock company, one hundred percent of the voting shares of which belong to the National Bank. The organization forms and maintains a database on compulsory and voluntary types of insurance, reinsurance, coinsurance, joint reinsurance on the basis of the Law "On Insurance Activities" and certain laws of the Republic Kazakhstan, regulating compulsory types of insurance.

## 2. OBJECT OF INSURANCE

- 2.1. The object of compulsory insurance of civil liability of owners of facilities whose activities are associated with the danger of causing harm to third parties (hereinafter referred to as compulsory liability insurance of facility owners) is the property interest of the owner of the facility, whose activities are associated with the danger of causing harm to third parties, related to his

obligation established by the civil legislation of the Republic of Kazakhstan to compensate for harm caused to life, health and (or) property of third parties by a hazardous production factor.

- 2.2.** Facilities whose activities are associated with the danger of causing harm to third parties are facilities subject to industrial safety declaration in accordance with the Law of the Republic of Kazakhstan "On Civil Protection".
- 2.3.** Information on the facilities for which industrial safety declarations are registered shall be posted on the website of the authorized body.
- 2.4.** If, during the validity period of the compulsory liability insurance agreement of the owner of the facility, the facility does not meet the criteria for classifying hazardous production facilities as declared, approved by the authorized body, then the insurant shall provide information to the territorial division of the authorized body on the state of industrial safety at the facility.
- 2.5.** Non-compliance of the facility with the criteria specified in paragraphs 2.2, 2.3 of this Article shall entitle the owner of the facility to early termination of the contract of compulsory liability insurance of the owners of the facilities. In this case, the insurer is entitled to a part of the insurance premium in proportion to the time during which the insurance was in effect.

### **3. PERSONS WHOSE CIVIL LIABILITY IS SUBJECT TO COMPULSORY INSURANCE**

- 3.1.** Civil liability of owners of facilities whose activities are associated with the danger of causing harm to third parties is subject to compulsory insurance. Operation of the facility, the activities of which are associated with the danger of causing harm to third parties, without the conclusion of a compulsory liability insurance agreement for the owners of the facilities is prohibited.
- 3.2.** Conclusion by the owners of facilities, the activities of which are associated with the danger of causing harm to third parties, of a voluntary insurance agreement for their civil liability for harm caused to life, health and (or) property of third parties, granting the right of temporary use of a hazardous facility to another person does not exempt them from the obligation to conclude a contract of compulsory liability insurance of property owners.

### **4. INSURANCE CONTRACT AND PROCEDURE FOR ITS CONCLUSION**

- 4.1.** Compulsory liability insurance of facility owners shall be carried out on the basis of an agreement concluded between the insured and the insurer in favor of third parties in accordance with the Law and these Rules. If there is more than one owner of the facility, whose activities are associated with the danger of causing harm to third parties, the contract of compulsory liability insurance of the owners of the facilities shall be concluded by any of them with the mandatory indication in the insurance policy of all owners of the facility as insured.
- 4.2.** The contract of compulsory liability insurance of the owners of facilities provides for the insurance payment for obligations arising as a result of causing harm to the life, health and (or) property of a third party, a hazardous

production factor, with the exception of compensation for moral damage, lost profit and payment of a penalty.

- 4.3.** A compulsory liability insurance agreement for owners of facilities shall be concluded only with an insurer licensed for the right to carry out activities in this type (class) of compulsory insurance.

The insured is free to choose an insurer.

An insurer shall not have the right to refuse to conclude an agreement of compulsory liability insurance of owners of facilities, except for cases provided for by the laws of the Republic of Kazakhstan.

- 4.4.** Under the contract of compulsory liability insurance of property owners, the insurant undertakes to pay the insurance premium, and the insurer undertakes to make an insurance payment to the insurant (beneficiary) in the amount, procedure and terms established by these Rules in the event of an insured event.

- 4.5.** The contract of compulsory liability insurance of the owners of facilities is concluded by the insurer by issuing an insurance policy in electronic form.

- 4.6.** The basis for concluding a compulsory liability insurance agreement for the owners of facilities is the application of the insured. The application must contain the insured's mark on familiarization with the terms of insurance.

- 4.7.** The insurer shall be liable for incompleteness of the terms and conditions to be specified in the compulsory liability insurance agreement of the owners of the facilities. In the event of a dispute arising under the compulsory liability insurance agreement of the owners of facilities due to the incompleteness of certain of its conditions, the dispute shall be resolved in favor of the insured.

- 4.8.** At the request of the insured, the contract of compulsory liability insurance of the owners of facilities may be concluded by means of a written request to the insurer or the exchange of electronic information resources between the insured and the insurer.

- 4.9.** The insurance policy, in addition to the conditions listed in Article 826 of the Civil Code of the Republic of Kazakhstan, shall contain the amount of the maximum amount of the insurer's liability for one insured event.

- 4.10.** Requirements for the content and execution of an insurance policy on compulsory liability insurance of property owners shall be established by the legislation of the Republic of Kazakhstan on insurance and insurance activities.

- 4.11.** If an insurer has entered into a contract of compulsory liability insurance of property owners on terms that worsen the position of an insurant (insured) or a third party in comparison with that provided for by the Law, then in the event of an insured event, the insurer shall bear obligations to the insurant (insured) or a third party on the terms established by the Law.

- 4.12.** When concluding a contract of compulsory liability insurance of property owners in electronic form, the insurer's Internet resource shall be used for the exchange of electronic information resources between the insurant (insured, beneficiary) and the insurer.

- 4.13.** When submitting an application for the conclusion of a compulsory liability

insurance agreement for the owners of facilities in electronic form, the insured is not required to use specialized software.

- 4.14.** The list of Internet resources of insurance organizations used to conclude contracts of compulsory liability insurance of property owners in electronic form shall be posted on the Internet resource of the organization for the formation and maintenance of the database.
- 4.15.** The procedure for exchange of electronic information resources between an insurant (insured, beneficiary) and an insurer shall be determined by a regulatory legal act of the authorized body for regulation, control and supervision of the financial market and financial organizations.
- 4.16.** When concluding a compulsory liability insurance agreement for the owners of facilities using the insurer's Internet resource, the insurer is obliged to ensure:
- 1) immediate sending to the insured of a notice on the conclusion of a compulsory liability insurance agreement of the owners of facilities or refusal to conclude it (indicating the reasons for the refusal) in the form of an electronic message;
  - 2) the possibility of verification by the insurant of information on the contract of compulsory liability insurance of property owners through the information system of the organization for the formation and maintenance of the database;
  - 3) storage of the compulsory liability insurance agreement of the owners of facilities in electronic form with the provision of round-the-clock access for the insured to the insurer's Internet resource;
  - 4) the ability of the insurant (insured, beneficiary) to create and send to the insurer information in electronic form (applications, notifications and (or) other documents, information) necessary for:
    - change of information, renewal of the compulsory liability insurance agreement of the owners of facilities;
    - early termination of the contract of compulsory liability insurance of the owners of the facilities;
    - notification of the occurrence of an insured event;
    - assessing the amount of damage caused;
    - receiving an insurance payment;
- 4.17.** A notification on the conclusion of a compulsory liability insurance agreement for the owners of facilities shall be sent from the organization for the formation and maintenance of the database.
- 4.18.** Requirements to the procedure and content of notifications on conclusion of compulsory liability insurance agreement of property owners shall be determined by the authorized body for regulation, control and supervision of the financial market and financial organizations.
- 4.19.** When concluding a compulsory liability insurance agreement for the owners of facilities using the insurer's Internet resource, the insurance agreement shall be deemed to be concluded by the insurant from the date of payment by



the insured of the insurance premium (the first insurance installment in case of payment of the insurance premium in installments), unless otherwise provided by the contract of compulsory liability insurance of the owners of the facilities.

- 4.20.** When concluding a contract of compulsory liability insurance of property owners using the insurer's Internet resource, the insurant shall pay the insurance premium (the first insurance installment in case of payment of the insurance premium in installments) after familiarizing himself with the insurance conditions provided for by these Rules, thereby confirming his consent to conclude the contract of adhesion on the terms proposed to him.
- 4.21.** The insurer provides an opportunity to conclude contracts of compulsory liability insurance of property owners using the insurer's Internet resource around the clock.
- 4.22.** Activity of insurance agents on conclusion of compulsory liability insurance contracts of owners of facilities with the use of information systems of insurance organizations intended for conclusion of insurance contracts in electronic form through information interaction between an insurant and an insurer shall not be allowed.

## **5. VALIDITY AND TERMINATION OF THE INSURANCE CONTRACT**

- 5.1.** The contract of compulsory liability insurance of the owners of the facilities shall enter into force and become binding on the parties from the moment of payment by the insured of the first insurance premium, unless otherwise provided by the terms of the compulsory liability insurance agreement of the owners of the facilities.
- 5.2.** The contract of compulsory liability insurance of the owners of facilities shall be concluded for a period of not more than twelve months from the date of its entry into force.
- 5.3.** If the owner of the facility carries out activities for a period of less than twelve months, the contract of compulsory liability insurance of the owners of the facilities is concluded for the period of activity, but not less than six months.
- 5.4.** The period of validity of the insurance cover coincides with the term of the compulsory liability insurance agreement of the owners of the facilities.
- 5.5.** The validity of the compulsory liability insurance agreement of the owners of the facilities shall be limited to the territory of the Republic of Kazakhstan, unless the compulsory insurance agreement of the liability of the owners of the facilities provides otherwise.
- 5.6.** The contract of compulsory liability insurance of the owners of facilities is considered terminated in the following cases:
  - 1) expiration of the contract;
  - 2) early termination of the contract;
  - 3) making by the insurer of the insurance payment (insurance payments) in the amount of the insurance amount under the contract of compulsory liability insurance of the owners of the facilities.



- 5.7. The procedure, conditions and consequences of early termination of the compulsory liability insurance agreement of the owners of facilities shall be determined in accordance with the civil legislation of the Republic of Kazakhstan.

## **6. RIGHTS AND OBLIGATIONS OF THE PARTIES TO THE CONTRACT AND THIRD PARTIES**

### **6.1. The insurant (insured) has the right:**

- 1) to demand from the insurer an explanation of the terms of compulsory liability insurance of the owners of facilities, its rights and obligations under the insurance contract;
- 2) engage an independent expert to assess the insurance risk;
- 3) get acquainted with the results of the assessment of the amount of damage caused and calculations of the amount of insurance payment made by the insurer (including through the insurer's Internet resource) and (or) an independent expert;
- 4) terminate the contract of compulsory liability insurance of the owners of the facilities ahead of schedule (this right applies only to the insured);
- 5) apply to the insurer, taking into account the features provided for in section 13 of these Rules, or to the insurance ombudsman or to the court to settle issues arising from the compulsory liability insurance agreement of the owners of the facilities;
- 6) send an application and attached documents to the Insurance Ombudsman (directly to the Insurance Ombudsman, including through its Internet resource, or through an insurer, including through its branch, representative office, other separate structural subdivision, Internet resource) taking into account the features provided for by the Law of the Republic of Kazakhstan "On Insurance Activities";
- 7) to demand a change in the terms of the compulsory liability insurance agreement of the owners of the facilities in the event of a change in circumstances that may lead to a decrease in the insurance risk at the facility, the activity of which is associated with the danger of causing harm to third parties, the probability of the occurrence of an insured event or the amount of possible damage in case of its occurrence (this right applies only to the insurant);
- 8) receive insurance payment in the cases and in the manner provided for by these Rules.
- 9) A contract of compulsory insurance of liability of owners of facilities may also provide for other rights of an insurant (insured) that do not contradict the laws of the Republic of Kazakhstan.

### **6.2. The insurant is obliged to:**

- 1) pay the insurance premium in the amount, procedure and terms established by the contract of compulsory liability insurance of the owners of the facilities;

- 2) within 10 (ten) calendar days from the date of conclusion of the contract of compulsory liability insurance of the owners of the facilities, inform the authorized body thereof;
- 3) when concluding a compulsory liability insurance agreement for facility owners, provide the insurer with information on previous contracts of compulsory and voluntary liability insurance of facility owners, insured events, insurance payments and other information necessary for conclusion of a compulsory liability insurance agreement for facility owners;
- 4) within 3 (three) business days, inform the insurer and authorized state bodies, based on their competence, about changes in circumstances, if these changes may affect the increase in insurance risk;
- 5) inform the insurer and state bodies, based on their competence, about the planned modernization and (or) re-profiling of the facility, the activities of which are associated with the danger of causing harm to third parties, which may significantly increase the insurance risk;
- 6) take necessary and possible measures to prevent the harmful effects of hazardous production factors on the life, health and (or) property of third parties;
- 7) immediately, but not later than 3 (three) days, as he became aware of the occurrence of the insured event, notify the insurer thereof;
- 8) in the event of a harmful impact of hazardous production factors on the life, health and (or) property of third parties, to take reasonable and available measures in the circumstances to prevent or reduce possible losses, including to save property and provide assistance to injured persons;
- 9) provide the insurer's representative with the opportunity to conduct an independent investigation of the causes and other circumstances of the accident, incident at the facility, the activities of which are associated with the danger of causing harm to third parties;
- 10) take all possible measures to ensure the safety of the damaged property and the affected area (if it does not contradict the interests of safety or does not affect the amount of damage) before their inspection by the representative of the insurer in the form in which they appeared after the occurrence of the insured event;
- 11) provide the insurer with all available information (if necessary - in writing) and documentation that allows to judge the causes, course and consequences of the occurrence of the insured event, as well as the nature and extent of the damage caused;
- 12) within 3 (three) working days, as he became aware of the filing of a claim or statement of claim for compensation for damage caused to life, health and (or) property of third parties by a hazardous production factor, notify the insurer thereof by any available means;
- 13) to ensure the transfer to the insurer of the right of recourse to the person responsible for causing damage;

- 14) The contract of compulsory insurance of liability of owners of facilities may also provide for other obligations of the insurant that do not contradict the laws of the Republic of Kazakhstan.

**6.3. The insurer has the right to:**

- 1) when concluding an insurance contract, in addition to the information provided for by the Civil Republic of Kazakhstan, require the insurant (insured) to provide information necessary for the conclusion of a liability insurance agreement for the owners of facilities in accordance with these Rules, including information on previous contracts of compulsory and voluntary liability insurance of the owners of facilities, insured events and insurance payments;
- 2) engage an independent expert to assess the insurance risk;
- 3) request 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 to third parties;
- 4) participate in the inspection of damaged property of third parties and the affected area and sign inspection reports;
- 5) to demand a change in the terms of the insurance agreement, in the event of a change in circumstances that may lead to an increase in the insurance risk at the facility, the activity of which is associated with the danger of causing harm to third parties (the probability of the occurrence of an insured event or the amount of possible damage in its occurrence);
- 6) act on behalf and on behalf of the insurant (insured) in relations related to compensation for the damage caused;
- 7) on behalf of the insurant (insured) to take over the conduct of cases in court on his behalf in relation to the claims filed by the beneficiaries. However, these actions of the insurer cannot be regarded as recognition of its obligation to make an insurance payment;
- 8) to file a right of recourse against the person responsible for causing damage.
- 9) The contract of compulsory insurance of liability of owners of facilities may also provide for other rights of the insurer that do not contradict the laws of the Republic of Kazakhstan.

**6.4. The insurer is obliged to:**

- 1) upon notification of an insured event (event considered as an insured event) that occurred during the period of validity of insurance coverage under the contract of compulsory liability insurance of property owners, immediately register it and submit information on this insured event (event considered as an insured event) to the organization for the formation and maintenance of the database in accordance with the regulatory legal act of the authorized regulatory body, control and supervision of the financial market and financial organizations;

- 2) familiarize the insurant (insured) with the terms of compulsory liability insurance of facility owners, including the rights and obligations of the parties arising from the compulsory liability insurance agreement for facility owners;
- 3) issue an insurance policy to the insured (insured);
- 4) in the event of an insured event, make an insurance payment in the manner and on the terms provided for by these Rules, the insurance agreement;
- 5) in case of insufficiency of documents confirming the fact of occurrence of the insured event and the amount of damage to be compensated by the insurer, within 3 (three) working days from the date of their receipt, inform the applicant thereof indicating the full list of missing and (or) incorrectly executed documents;
- 6) in case of making a decision on refusal of insurance payment, send to the insurant (beneficiary) in writing a reasoned justification of the reasons for refusal and a notification of the right of the insurant (insured, beneficiary) to apply to the insurance ombudsman to settle disagreements taking into account the specifics of the legislation of the Republic of Kazakhstan;
- 7) ensure the secrecy of insurance;
- 8) upon receipt of an application from the insured (third party, beneficiary), consider the claims of the insured (third party, beneficiary) and provide a written response indicating the further dispute settlement procedure within 5 (five) business days;
- 9) upon receipt of an application from the insurant (third party, beneficiary) sent to the insurance ombudsman, redirect this application, as well as the documents attached thereto to the insurance ombudsman within 3 (three) working days from the date of receipt.
- 10) The contract of compulsory liability insurance of the owners of facilities may also provide for other obligations of the insurer that do not contradict the laws of the Republic of Kazakhstan.

**6.5. Third parties have the right to:**

- 1) inform the insurer about the occurrence of an insured event that occurred as a result of the harmful impact of hazardous production factors on their life, health and (or) property;
- 2) collect the documents necessary for the insurance payment instead of the insurant (insured) and submit them to the insurer;
- 3) use the services of an independent expert to assess the amount of damage caused;
- 4) get acquainted with the results of the assessment of the amount of damage caused and calculations of the amount of insurance payment made by the insurer (including through the insurer's Internet resource) and (or) an independent expert;
- 5) receive insurance payment in the amount, procedure and terms established by the Law and these Rules;
- 6) apply to the insurer, taking into account the features provided for in Section 13 of the Rules, or to the insurance ombudsman or to the court to resolve

- issues arising from the compulsory liability insurance agreement of the owners of the facilities;
- 7) send an application and attached documents to the insurance ombudsman (directly to the insurance ombudsman, including through its Internet resource, or through an insurer, including through its branch, representative office, other separate structural subdivision, Internet resource) taking into account the features provided for by the Law of the Republic of Kazakhstan "On Insurance Activities";
  - 8) to submit a claim to the insurer for compensation for the damage caused in the amount of excess of the amount of damage caused over the amount of insurance payment received.
- 6.6.** In cases provided for by the legislation of the Republic of Kazakhstan, the rights of third parties established by this paragraph shall be transferred to other persons (beneficiaries).

## **7. PROCEDURE FOR DETERMINING THE SUM INSURED**

- 7.1.** The insurance amount under the insurance contract is in the amount of the monthly calculation index established by the law on the republican budget for the relevant financial year:
- 1) 600,000 - if the maximum possible number of victims as a result of the harmful effects of hazardous production factors exceeds 4,000 (four thousand) people;
  - 2) 350,000 - if the maximum possible number of victims as a result of the harmful effects of hazardous production factors is more than 2,000 (two thousand) people, but does not exceed 4,000 (four thousand) people;
  - 3) 225,000 - if the maximum possible number of victims as a result of the harmful effects of hazardous production factors is more than 1,500 (one and a half thousand) people, but does not exceed 2,000 (two thousand) people;
  - 4) 115,000 - if the maximum possible number of victims as a result of the harmful effects of hazardous production factors is more than 750 (seven hundred and fifty) people, but does not exceed 1,500 (one and a half thousand) people;
  - 5) 50,000 - if the maximum possible number of victims as a result of the harmful effects of hazardous production factors is more than 300 (three hundred) people, but does not exceed 750 (seven hundred and fifty) people;
  - 6) 30,000 - if the maximum possible number of victims as a result of the harmful effects of hazardous production factors is more than 150 (one hundred fifty) people, but does not exceed 300 (three hundred) people;
  - 7) 12,000 - if the maximum possible number of victims as a result of the harmful effects of hazardous production factors is more than 75 (seventy-five) people, but does not exceed 150 (one hundred fifty) people;
  - 8) 5,000 - if the maximum possible number of victims as a result of the harmful effects of hazardous production factors is more than 10 (ten) people, but does not exceed 75 (seventy-five) people;

- 11) 1,000 - for other declared hazardous industries, if the maximum possible number of victims as a result of the harmful effects of hazardous production factors is up to 10 (ten) people.

## **8. AMOUNT, PROCEDURE AND TERMS OF PAYMENT OF THE INSURANCE PREMIUM**

- 8.1.** The amount of the insurance premium under the insurance contract is established by agreement of the parties in the range from 0.72 to 2.02 percent of the amount of the insurance amount, depending on the level of danger of the facility, the activities of which are associated with the danger of causing harm to third parties.
- 8.2.** The amount of the insurance tariff for a particular facility is established depending on the general level of hazard of the facility, determined annually by the authorized body.
- 8.3.** The amount of the insurance premium is established taking into account the insurance rate specified in the insurance contract, the general level of danger of the facility determined by the authorized body in the field of industrial safety.
- 8.4.** Information on the annual general level of danger of organizations that have hazardous production facilities subject to declaration and insurance is posted by the authorized body on its Internet resource, or published in republican periodicals in the Kazakh and Russian languages.
- 8.5.** If the general level of danger of the facility is maintained or reduced, the insurance premium shall be paid at the insurance rate established in accordance with this section.
- 8.6.** In case of an increase in the general level of danger of the facility in comparison with the industry average, a multiplying coefficient of 10% (ten percent) for 1% (one percent) increase in the overall level of danger of the facility is applied to the insurance rate.
- 8.7.** The amount of the insurance tariff, taking into account the multiplying coefficient, shall not exceed the amount of the insurance rate established in clause 8.1. Rules.
- 8.8.** Insurance premiums shall be paid in a lump sum within 10 (ten) days after the conclusion of the compulsory liability insurance agreement of the owners of the facilities.
- 8.9.** In case of amendment of the compulsory liability insurance agreement of the owners of facilities on any grounds, the difference between the newly calculated and previously paid insurance premiums shall be subject to additional payment (refund) within 15 (fifteen) days.
- 8.10.** The contract of compulsory liability insurance of the owners of the facilities may provide for the right of the insured to pay the insurance premium in installments by making insurance premiums in the manner determined by the contract of compulsory insurance of the liability of the owners of the facilities.



- 8.11.** The insurer provides the opportunity to pay the insurance premium in a non-cash way through the insurer's Internet resource.

## **9. DETERMINATION OF THE INSURED EVENT AND THE AMOUNT OF INSURANCE PAYMENT**

- 9.1.** An insured event under the contract of compulsory liability insurance of property owners is the fact of occurrence of civil liability of the insured (insured) for compensation of harm caused to life, health and (or) property of a third party by a hazardous production factor.
- 9.2.** The amount of insurance payment is determined by the insurer or an independent expert on the basis of the act of investigation of the causes of the accident, incident, court decisions and other materials containing data on the amount of damage caused.
- 9.3.** The amount of insurance payment for harm caused to the life and health of each third party is established by the Law in the amount of the monthly calculation index established by the law on the republican budget for the relevant financial year, and is:
- 1) in case of death - 1,000;
  - 2) when disability is established:
    - I group - 800;
    - Group II - 600;
    - Group III - 500;
    - a child with a disability - 500.
  - 3) in case of mutilation, injury or other damage to health without disability - in the amount of actual expenses for outpatient and (or) inpatient treatment, but not more than 300. At the same time, the amount of insurance payment for each day of inpatient treatment must be at least 2 (two) monthly calculation indices.
- 9.4.** The amount of damage caused by damage to property is determined based on the calculation of the cost of its restoration, taking into account the depreciation of property that occurred before the occurrence of the insured event.
- 9.5.** The cost of property restoration is determined on the basis of average market prices and tariffs in effect at the time of the insured event.
- 9.6.** The amount of damage caused during the destruction of property is determined based on the actual value of the property, taking into account depreciation on the day of the occurrence of the insured event.
- 9.7.** Property is considered destroyed if its restoration is technically impossible or economically unjustified. Restoration of property is considered economically unjustified if the expected costs (cost of restoration) exceed eighty percent of the actual value of the property, taking into account the accrued depreciation on the day of the insured event.
- 9.8.** The amount of damage caused to the property of each third party as a result of the occurrence of an insured event at the request of the insurant (insured)



or other person who is the beneficiary shall be determined by the insurer. An assessment of the amount of damage caused may, if necessary, be carried out by an independent expert. If they disagree with the results of the assessment of the damage caused, the parties have the right to prove otherwise. The examination is carried out at the expense of the party that requested it.

- 9.9.** The insurance indemnity may not exceed the amount of losses caused to the third party (actual damage).
- 9.10.** Insurance payment for harm caused to the life and health of each third party shall be made in the amount established by paragraph 9.3. of these Rules.
- 9.11.** The insurer has the right to conduct an additional investigation in order to determine the amount of damage caused. In this regard, he has the right to request materials of the technical investigation of the accident, incident, documents from state bodies regarding the infliction of damage, medical documents, invoices allowing to judge the value of the lost (damaged, destroyed) property, the cost of work performed, costs incurred, as well as other necessary documents.
- 9.12.** Insurance payments are made within the insurance amount established in the contract of compulsory liability insurance of the owners of facilities.
- 9.13.** In case of insufficiency of the insurance amount for full compensation of damage caused to third parties, the insurer shall make insurance payments within the insurance amount specified in the insurance agreement, in the manner specified in paragraph 10.9. of these Rules. At the same time, the beneficiary has the right to file a claim directly against the insurant (insured) for compensation for the damage caused in the amount of excess of the amount of damage caused over the amount of the insurance payment received.
- 9.14.** In case of insurance of civil liability of owners of objects with several insurers, each insurer is liable to the insured within the limits of the contract concluded with him, but the total amount of insurance payments received by the insured (beneficiary) from all insurers may not exceed the actual damage.
- 9.15.** At the same time, the insured has the right to receive an insurance payment from any insurer in the amount of the insurance amount provided for by the contract concluded with him. In the event that the received insurance payment does not cover the actual damage, the policyholder has the right to receive the missing amount from another insurer.
- 9.16.** An insurer, fully or partially exempt from insurance payment due to the fact that the damage caused has been compensated by other insurers, is obliged to return to the insured the corresponding part of insurance premiums minus the expenses incurred.
- 9.17.** In cases where the damage caused is also compensated by other persons, the insurer shall pay only the difference between the amount of insurance payment under the contract of compulsory liability insurance of property owners and the amount compensated by other persons. The insurant is

obliged to inform the insurer about the payments made by other persons in compensation for harm to third parties.

- 9.18.** The insurer is also obliged to reimburse the expenses incurred by the insured in order to prevent or reduce losses from the insured event, if such expenses were necessary and (or) were incurred to fulfill the instructions of the insurer, even if the relevant measures were unsuccessful. Reimbursement of these expenses shall be made by the insurer within thirty days from the date of receipt of the act on the relevant expenses, but not earlier than insurance payments.
- 9.19.** The specified expenses of the insured shall be reimbursed in actual amounts, however, so that the total amount of insurance payment and compensation of expenses does not exceed the insurance amount provided for by the contract of compulsory liability insurance of the owners of facilities. If the expenses have arisen as a result of the insurer's execution of the insurer's instructions, they shall be reimbursed in full regardless of the insured amount.
- 9.20.** In the event of the death of the victim in the absence of heirs, the insurer shall reimburse the person who carried out the burial of the victim in the amount of actual costs, but within the insurance amount established by the contract of compulsory liability insurance of the owners of the objects.

## **10.CONDITIONS AND PROCEDURE FOR MAKING AN INSURANCE PAYMENT**

- 10.1.** A claim for insurance payment to an insurer shall be submitted by an insurer (insured) or other person who is a beneficiary in writing, including through the insurer's Internet resource in accordance with the regulatory legal act of the authorized body for regulation, control and supervision of the financial market and financial organizations, with the following documents attached:
- 1) the beneficiary's claim for compensation for damage recognized by the insured with the attachment of documents confirming the damage caused and its amount, or a court decision that has entered into force on compensation for damage caused to life, health and (or) property of third parties by a hazardous production factor;
  - 2) documents (if any) confirming the costs associated with taking measures to prevent or reduce the amount of damage.
- 10.2.** At the request of the insurer, the applicant shall be obliged to submit to the insurer the originals of the documents necessary for making the insurance payment, with the exception of documents available in electronic form in the databases and (or) information systems of state bodies, to which the insurer has access.
- 10.3.** The insurer that accepted the documents is obliged to issue to the applicant a certificate indicating the full list of submitted documents and the date of their acceptance.
- 10.4.** In case the insurer (insured, beneficiary) sends a claim for insurance payment in electronic form, the insurer may submit this certificate to him in electronic form.

- 10.5.** When making an insurance payment, an insurer shall not have the right to demand from an insurant (insured) or other person who is a beneficiary to accept the conditions limiting his right of claim to the insurer.
- 10.6.** The beneficiary is a third party (in case of his death, a person who has the right to compensation for harm in connection with his death in accordance with the laws of the Republic of Kazakhstan) or another person who has compensated a third party (a person entitled to compensation for damage) for the damage caused within the responsibility of the insurer established by the Law and these Rules, and who has received the right to insurance payment.
- 10.7.** The insurance payment shall be made by the insurer no later than 30 (thirty) days from the date of receipt of the documents provided for in paragraph 10.1. of these Rules.
- 10.8.** In case of untimely implementation of insurance payment, the insurer shall be obliged to pay a penalty to the beneficiary in the manner and amount established by the Civil Code of the Republic of Kazakhstan.
- 10.9.** Satisfaction of claims for compensation for damage caused to life, health and (or) property of third parties by a hazardous production factor, recognized by an insurer or a court decision as an insured event, shall be carried out in the order of their receipt, and in case of simultaneous receipt of several applications in the following order:
- 1) first of all, claims for compensation for harm caused to the life and health of individuals are satisfied;
  - 2) secondly, damage caused to the property of individuals is compensated;
  - 3) thirdly, damage caused to the property of legal entities is compensated.

## **11. THE RIGHT OF RECOURSE AGAINST THE PERSON WHO CAUSED THE DAMAGE**

- 11.1.** The insurer, who has made the insurance payment, has the right of recourse to the insurant within the amount paid in the following cases:
- 1) deliberate actions of the insurant (insured) aimed at the occurrence of an insured event or contributing to its occurrence;
  - 2) commission by the insurant (insured) of actions recognized in the manner established by the legislative acts of the Republic of Kazakhstan, intentional criminal or administrative offenses that are in a causal relationship with the insured event;
  - 3) increase in the amount of damage as a result of deliberate failure by the insurant (insured) to take reasonable and available measures to reduce it;
  - 4) communication by the insurant (insured) to the insurer of knowingly false information about the object of insurance, about the insurance risk, insured event and its consequences;
  - 5) refusal of the insurant (insured) of his 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.

- 11.2.** The insurer that has made the insurance payment shall receive the right of recourse within the paid amount, which the insurant (insured) has to the person responsible for the damage caused, compensated under the compulsory liability insurance agreement of the owners of the facilities.
- 11.3.** An insurer that has made an insurance payment under a compulsory liability insurance agreement of facility owners shall not have the right of recourse to their employees, violation of whose official, official or other labor duties caused the occurrence of a hazardous production factor, except for cases of deliberate actions.

## **12. GROUNDS FOR EXEMPTION OF AN INSURER FROM INSURANCE PAYMENT**

- 12.1.** The insurer has the right to fully or partially refuse the insurance payment if the insured event occurred as a result of:
- 1) deliberate actions of the beneficiary aimed at the occurrence of an insured event or contributing to its occurrence, with the exception of actions committed in a state of necessary defense and extreme necessity;
  - 2) actions of the beneficiary, recognized in the manner established by the legislative acts of the Republic of Kazakhstan, as intentional criminal or administrative offenses that are in a causal relationship with the insured event.
- 12.2.** The insurer is exempt from making the insurance payment if the insured event occurred as a result of:
- 1) War;
  - 2) civil war, civil unrest of all kinds, riots or strikes.
- 12.3.** The grounds for refusal of the insurer to make the insurance payment may also be the following:
- 1) any claims for compensation for damage in excess of the insurance amount provided for by the contract of compulsory liability insurance of the owners of the facilities;
  - 2) receipt by the insurant (insured) and (or) other person who is the beneficiary of the appropriate compensation for loss from the person guilty of causing the loss;
  - 3) failure to notify the insurer of the occurrence of an insured event.
- 12.4.** The decision on refusal of insurance payment shall be made and communicated by the insurer within thirty days to the insurant (insured) and (or) beneficiary in writing with a reasoned justification of the reasons for refusal and notification of the right of the insurant (insured, beneficiary) to apply to the insurance ombudsman for settlement of disagreements taking into account the peculiarities of the legislation of the Republic of Kazakhstan.
- 12.5.** The insurer's refusal to make insurance payment may be appealed by the insurant (insured) and (or) other person who is the beneficiary in court.

### **13.PROCEDURE FOR ELECTRONIC CONCLUSION OF AN INSURANCE CONTRACT AND SETTLEMENT OF INSURED EVENTS**

- 13.1.** To conclude an insurance contract in electronic form and settle insured events under it by exchanging electronic information resources, an insurer's Internet resource and (or) information system shall be used.
- 13.2.** When submitting an application for the conclusion of an insurance contract in electronic form and the settlement of an insured event, the insured is not required to use specialized software.
- 13.3.** The procedure for the exchange of electronic information resources for the conclusion of an insurance contract and the settlement of insured events under it shall be determined by a regulatory legal act of the authorized body.
- 13.4.** When concluding an insurance contract and settling insured events under it using the insurer's Internet resource, the insurer shall ensure:
- 1) immediate sending to the insured of a notice of conclusion of an insurance contract or refusal to conclude it (indicating the reasons for refusal) in the form of an electronic message;
  - 2) notification of the insurant (insured) on the main stages of the settlement process of the insured event, including refusal to accept documents for settlement (indicating the reasons for refusal), in the form of an electronic message in the manner prescribed by the regulatory legal act of the authorized body;
  - 3) the ability of the insured (insured) to verify the information on the concluded insurance contract on the Insurer's website;
  - 4) storage of the insurance contract in electronic form and information on the insured event thereon with the provision of round-the-clock access for the Insured (Insured, Beneficiary) to the Insurer's website;
  - 5) the ability of the insurant (insured, beneficiary) to create and send to the insurer information in electronic form (applications, notifications and (or) other documents, information) necessary for:
    - conclusion of an insurance contract;
    - change of information, renewal of the insurance contract;
    - early termination of the insurance contract;
    - notifications of the occurrence of an insured event (an event considered as an insured event);
    - determining the amount of damage caused;
    - receiving an insurance payment.
  - 6) A notification on the conclusion of an insurance contract and the settlement of insured events under it is sent from the organization for the formation and maintenance of the database.
  - 7) When concluding an insurance contract by exchanging electronic information resources, the insurance contract shall be considered concluded from the date of payment by the insured of the insurance premium (the first insurance installment in case of payment of the insurance premium in installments), unless otherwise provided by the insurance contract.

- 8) A claim for insurance payment to an insurer shall be submitted by an insurant (insured) or other person who is a beneficiary in writing, including through the insurer's Internet resource in accordance with the regulatory legal act of the authorized body, with the attachment of documents necessary for making an insurance payment.
- 9) The insurer provides the opportunity to conclude insurance contracts and settle insured events under them using the insurer's Internet resource around the clock.
- 10) Insurance agents shall not be allowed to conclude insurance contracts using information systems of insurance organizations intended for conclusion of insurance contracts in electronic form through information interaction between the insurant and the insurer;

## **14.FEATURES OF DISPUTE SETTLEMENT**

**14.1.** In the event of a dispute arising out of the insurance contract, the policyholder (third party, beneficiary) has the right to:

- 1) - send to the insurer (including through a branch, representative office, Internet resources of the insurer) a written application indicating the requirements and attaching documents confirming its claims, or

- 2) send an application to the insurance ombudsman (directly to the insurance ombudsman, including through its Internet resource, or through an insurer, including through its branch, representative office, other separate structural subdivision, Internet resource) or to the court to settle disputes arising from the insurance contract, taking into account the features provided for by the Law of the Republic of Kazakhstan "On Insurance Activities".

**14.2.** In case of application of the insurant (third party, beneficiary) to the insurance ombudsman, the insurer shall be obliged, at the request of the insurant, third party (beneficiary), insurance ombudsman, to submit documents related to the consideration and resolution of the dispute within three working days from the date of receipt of the request.

**14.3.** Upon receipt of an application from an insurant (third party, beneficiary) within five working days, the Insurer shall consider and provide a written response indicating the further dispute settlement procedure.

**14.4.** The insurant (insured, beneficiary), as well as the insurer shall have the right to apply to the court in accordance with the legislation of the Republic of Kazakhstan after receiving the decision of the insurance ombudsman. At the same time, the execution of the decision of the insurance ombudsman for the insurant (insured, beneficiary) is not mandatory.