

"APPROVED"
Board of Directors
Insurance Company Basel JSC
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RULES

COMPULSORY ENVIRONMENTAL INSURANCE

Insurance Company Basel JSC

Almaty 2024

CONTENT:

1. General Provisions
2. Object of insurance
3. Persons whose civil liability is subject to compulsory environmental insurance
4. Procedure for concluding the Agreement
5. Validity of the Agreement
6. Termination of the Agreement
7. Rights and obligations of the insurant (insured)
8. Rights and obligations of the insurer
9. Rights of the victim
10. Amount of the sum insured
11. Insurance premium amount
12. Procedure and terms of payment of the insurance premium
13. Insured event
14. General Conditions for Making an Insurance Payment
15. Procedure for making an insurance payment
16. The right of recourse against the person who caused the damage
17. Grounds for exemption of the insurer from insurance payment
18. Procedure for electronic conclusion of insurance contract and settlement of insured events
19. Features of Settlement of Disputes on Compulsory Environmental Insurance

1. GENERAL PROVISIONS

- 1.1.** These Rules of Compulsory Environmental Insurance (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 Environmental Code of the Republic of Kazakhstan dated January 02, 2021 No. 400-VI, the Law of the Republic of Kazakhstan dated December 13, 2005 No. 93 "**On Compulsory Environmental Insurance** (hereinafter referred to as the Law").
- 1.2.** The purpose of compulsory environmental insurance is to ensure the elimination of environmental damage caused to the components of the environment as a result of an accident in the course of environmentally hazardous economic and other activities.
- 1.3.** The main principles of compulsory environmental insurance are:
- 1) compensation for environmental damage to the extent and in the manner established by this Law;
 - 2) Indemnity guarantee;
 - 3) ensuring the fulfillment by the parties of their obligations under the compulsory environmental insurance contract;
 - 4) economic incentives to prevent environmental damage.
- 1.4.** The following basic concepts are used in these Rules:
- 1) **accident** - destruction of buildings, structures and (or) technical devices, uncontrolled explosion and (or) release of hazardous (harmful) substances;
 - 2) **compulsory environmental insurance** is a set of relations for the property protection of the legitimate interests of individuals and (or) legal entities (insured) in the event of civil liability for obligations arising as a result of causing environmental damage as a result of an accident;
 - 3) **compulsory environmental insurance agreement** – an agreement concluded between an insurer and an insurant on the terms determined by these Rules;
 - 4) **Beneficiary** – a person who, in accordance with the Law, is a recipient of an insurance payment;
 - 5) **insured event** – an event, upon occurrence of which a compulsory environmental insurance agreement provides for the implementation of an insurance payment;
 - 6) **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";
 - 7) **insurance amount** – the amount of money for which the object of compulsory environmental insurance is insured and which is the maximum amount of the insurer's liability in the event of an insured event;
 - 8) **insurance premium** – the amount of money that the insurant is obliged to pay to the insurer for the latter's obligation to make an insurance payment to the beneficiary in the amount determined by the compulsory environmental insurance agreement;

- 9) **insurance indemnity** – the amount of money paid by the insurer to the beneficiary within the insured amount in the event of an insured event;
- 10) **Insurer** – a legal entity registered as an insurance organization and licensed to carry out insurance activities, obliged to make an insurance payment to the beneficiary within the limits of the insurance amount determined by the contract in the event of an insured event;
- 11) **insured** – a person in respect of whom compulsory environmental insurance is carried out;
- 12) **Insurant** – an individual and (or) a legal entity engaged in environmentally hazardous types of economic and other activities, which has entered into a compulsory environmental insurance agreement with an insurer;
- 13) **third parties** - subjects of legal relations involved in procedures arising from compulsory environmental insurance;
- 14) **authorized body** - the central executive body in the field of environmental protection and its territorial subdivisions;
- 15) **civil liability of individuals and (or) legal entities engaged in environmentally hazardous types of economic and other activities** - the obligation of individuals and (or) legal entities engaged in environmentally hazardous types of economic and other activities to eliminate environmental damage caused as a result of an accident;
- 16) **Environmentally hazardous type of economic and other activity is the** activity of individuals and (or) legal entities, as a result of which environmental damage may be caused in the event of an accident.
- 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 environmental insurance is the property interest of a person engaged in environmentally hazardous types of economic and other activities related to its obligation established by the environmental legislation of the Republic of Kazakhstan to eliminate environmental damage caused as a result of an accident.

3. PERSONS WHOSE CIVIL LIABILITY IS SUBJECT TO COMPULSORY ENVIRONMENTAL INSURANCE

- 3.1.** Compulsory environmental insurance is subject to civil liability of individuals and (or) legal entities engaged in environmentally hazardous types of economic and other activities.
- 3.2.** The list of environmentally hazardous types of economic and other activities shall be determined by the authorized body.

4. PROCEDURE FOR CONCLUDING A CONTRACT

- 4.1.** Compulsory environmental insurance shall be carried out on the basis of an agreement concluded between an insurer and an insured in accordance with the Law, the Civil Code of the Republic of Kazakhstan and the Environmental Code of the Republic of Kazakhstan.
- 4.2.** Individuals and (or) legal entities that carry out environmentally hazardous types of economic and other activities are not entitled to carry out their activities without concluding a compulsory environmental insurance agreement.
- 4.3.** When carrying out an environmentally hazardous type of economic and other activity by two or more owners of the same facility, a compulsory environmental insurance contract shall be concluded by any of them with the indication in the insurance policy of all owners of the facility as insured.
- 4.4.** The compulsory environmental insurance agreement provides for the payment of insurance payments for obligations arising as a result of environmental damage caused as a result of an accident in the course of environmentally hazardous economic and other activities carried out by the insured.
- 4.5.** A compulsory environmental insurance agreement shall be concluded only with an insurer that has a license for the right to carry out activities under this type (class) of compulsory insurance.
- 4.6.** The insured is free to choose an insurer. An insurer shall not have the right to refuse an insured to conclude a compulsory environmental insurance agreement, except for cases provided for by the laws of the Republic of Kazakhstan.
- 4.7.** A compulsory environmental insurance agreement shall be concluded by the insurer by issuing an insurance policy in electronic form.
- 4.8.** The basis for concluding a compulsory environmental insurance agreement is the application of the insured. The application must contain the insured's mark on familiarization with the terms of insurance.
- 4.9.** The insurer shall be liable for incompleteness of the terms and conditions to be specified in the compulsory environmental insurance agreement in accordance with the requirements of the RoK Legislation effective at the time of conclusion of the contract.
- 4.10.** In the event of a dispute arising under a compulsory environmental insurance agreement due to the incompleteness of certain of its terms, the dispute shall be resolved in favor of the insured.
- 4.11.** At the request of the insured, the compulsory environmental insurance agreement may be concluded by means of a written request to the insurer or

the exchange of electronic information resources between the insurant and the insurer.

- 4.12.** 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.
- 4.13.** Requirements for the content and execution of an insurance policy on compulsory environmental insurance shall be established by the legislation of the Republic of Kazakhstan.
- 4.14.** When concluding compulsory environmental insurance contracts 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.
- 4.15.** When submitting an application for the conclusion of a compulsory environmental insurance agreement in electronic form, the insurant is not required to use specialized software.
- 4.16.** The list of Internet resources of insurance organizations used for the conclusion of compulsory environmental insurance contracts in electronic form shall be posted on the Internet resource of the organization for the formation and maintenance of the database.
- 4.17.** 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.
- 4.18.** When concluding a compulsory environmental insurance agreement using the insurer's Internet resource, the insurer shall be obliged to ensure:
- 1) immediate sending to the insurant of a notice on the conclusion of a compulsory environmental insurance agreement or refusal to conclude it (indicating the reasons for the refusal) in the form of an electronic message;
 - 2) the possibility for the insurant to verify information on the concluded compulsory environmental insurance agreement through the information system of the organization for the formation and maintenance of the database;
 - 3) storage of the compulsory environmental insurance agreement 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:
 - changes in information, renewal of the compulsory environmental insurance agreement;
 - early termination of the compulsory environmental insurance contract;
 - notification of the occurrence of an insured event;
 - assessment of the amount of environmental damage caused as a result of the accident;

- receiving an insurance payment.
- 4.19.** A notification on the conclusion of a compulsory environmental insurance agreement shall be sent from the organization for the formation and maintenance of a unified database.
- 4.20.** The requirements for the procedure and content of notifications on the conclusion of a compulsory environmental insurance agreement shall be determined by the authorized body for regulation, control and supervision of the financial market and financial organizations.
- 4.21.** When concluding a compulsory environmental insurance agreement 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 insurant of the insurance premium (the first insurance installment in case of payment of the insurance premium in installments), unless otherwise provided by the compulsory environmental insurance agreement.
- 4.22.** When concluding a compulsory environmental insurance agreement using the insurer's Internet resource, the insurant shall pay the insurance premium (first insurance installment) after familiarizing himself with the insurance conditions provided for by this Law, thereby confirming his consent to conclude a contract of adhesion on the terms proposed to him.
- 4.23.** The insurer provides an opportunity to conclude compulsory environmental insurance contracts using the insurer's Internet resource around the clock.
- 4.24.** Activities of insurance agents on conclusion of compulsory environmental insurance contracts using 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 OF THE CONTRACT

- 5.1.** A compulsory environmental insurance agreement shall be valid in relation to persons obliged to eliminate environmental damage in accordance with the Law and environmental legislation of the Republic of Kazakhstan.
- 5.2.** The compulsory environmental insurance agreement shall enter into force and become binding on the parties from the date established by the compulsory environmental insurance agreement.
- 5.3.** The compulsory environmental insurance agreement shall be valid for at least 12 (twelve) months from the date of its entry into force.
- 5.4.** The validity of a compulsory environmental insurance agreement shall be limited to the territory of the Republic of Kazakhstan, unless otherwise provided by an international treaty ratified by the Republic of Kazakhstan.

6. TERMINATION

- 6.1.** A compulsory environmental insurance agreement shall be deemed 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 compulsory environmental insurance agreement.
- 6.2.** A compulsory environmental insurance agreement shall be terminated ahead of schedule in the manner and in cases provided for by the civil legislation of the Republic of Kazakhstan.
- 6.3.** In case of early termination of the compulsory environmental insurance agreement, the insurant shall be entitled to a refund of a part of the insurance premium in the following amounts:

No p/n	Period that has elapsed from the date of entry into force of the compulsory environmental insurance agreement to the moment of its early termination	Amount of the insurance premium withheld by the insurer (as a percentage of the annual insurance premium)
1.	Up to 1 month inclusive	20
2.	from 1 to 2 months inclusive	30
3.	from 2 to 3 months inclusive	40
4.	from 3 to 4 months inclusive	50
5.	from 4 to 5 months inclusive	60
6.	from 5 to 6 months inclusive	70
7.	from 6 to 7 months inclusive	75
8.	from 7 to 8 months inclusive	80
9.	from 8 to 9 months inclusive	85
10.	from 9 to 10 months inclusive	90
11.	from 10 to 11 months inclusive	95
12.	over 11 months	100

7. RIGHTS AND OBLIGATIONS OF THE INSURANT (INSURED)

7.1. The insurant (insured) has the right:

- 1) to demand from the insurer an explanation of the terms and conditions of compulsory environmental insurance, its rights and obligations under the compulsory environmental insurance agreement;
- 2) engage an independent expert to assess the cost of elimination (remediation) of environmental damage caused as a result of the accident;
- 3) familiarize themselves with the results of the assessment of the cost of elimination (remediation) of environmental damage caused as a result of an accident, and calculations of the amount of insurance payment made by the insurer (including through the insurer's Internet resource) or an independent expert;
- 4) terminate the compulsory environmental insurance contract ahead of schedule (this right applies only to the insurant);

- 5) apply to the insurer, taking into account the specifics provided for in Section 18 of these Rules, or to the insurance ombudsman or to the court for settlement of issues arising from the compulsory environmental insurance agreement;
- 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 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) receive an insurance payment in the cases provided for in these Rules.
- 8) A compulsory environmental insurance agreement may also provide for other rights of an insurant (insured) that do not contradict the laws of the Republic of Kazakhstan.

7.2. The insurant is obliged to:

- 1) pay insurance premiums in the amount, procedure and terms established by the compulsory environmental insurance agreement;
- 2) inform the insurer about the state of insurance risk;
- 3) notify the insurer of the occurrence of the insured event;
- 4) in the event of an accident, take reasonable measures available in the circumstances to prevent or reduce possible environmental damage;
- 5) inform the relevant authorities, taking into account their competence (bodies of the state fire service, ambulance service, emergency services, authorized body) about the accident that caused environmental damage and about the injured persons;
- 6) to ensure the transfer to the insurer of the right of claim to the person responsible for the occurrence of the insured event.

7.3. A compulsory environmental insurance agreement may also provide for other obligations of an insurant (insured) that do not contradict the laws of the Republic of Kazakhstan.

8. RIGHTS AND OBLIGATIONS OF THE INSURER

8.1. The insurer has the right to:

- 1) when concluding a compulsory environmental insurance agreement, in addition to the information provided for by the Civil Code of the Republic of Kazakhstan and the environmental legislation of the Republic of Kazakhstan, require the insurant to provide information necessary for the conclusion of a compulsory environmental insurance agreement in accordance with the Rules, including information on previous contracts of compulsory environmental insurance, insured events and insurance payments;
- 2) request from the relevant state bodies and organizations, taking into account their competence, documents confirming the fact of occurrence of an insured event, the nature and scale of environmental damage;

- 3) to receive from the insurant and the insured complete and reliable information necessary to assess the risk of causing environmental damage, about the causes, sizes and consequences of the insured event that has occurred;
 - 4) assess the cost of elimination (remediation) of environmental damage to establish the causes and other circumstances of the occurrence of the insured event;
 - 5) to engage an independent expert to assess the scale of environmental damage caused as a result of an accident and to determine the amount of insurance payment in the event of an insured event;
 - 6) conduct its own studies of the state of the environment and environmentally hazardous types of economic and other activities carried out by the insured before and after the occurrence of an insured event;
 - 7) to present the right of claim to the person responsible for causing environmental damage in the cases provided for in Section 16 of the Rules;
 - 8) refuse to make an insurance payment in full or in part on the grounds provided for in Section 17 of the Rules.
- 8.2.** A compulsory environmental insurance agreement may also provide for other rights of an insurer that do not contradict the laws of the Republic of Kazakhstan.
- 8.3. The insurer is obliged to:**
- 1) familiarize the insurant with the terms and conditions of compulsory environmental insurance, explain his rights and obligations arising from the compulsory environmental insurance agreement;
 - 2) issue a certificate to the applicant indicating the full list of submitted documents and the date of their acceptance;
 - 3) after the conclusion of the compulsory environmental insurance agreement, issue an insurance policy to the insurant;
 - 4) upon notification of an insured event (event considered as an insured event) that occurred during the period of validity of insurance protection under the compulsory environmental insurance agreement, 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;
 - 5) make an assessment of the cost of elimination (remediation) of environmental damage as a result of an accident at the request of the insured or his representative in writing, draw up an insurance act indicating the calculation of the amount of insurance payment and submit it to the beneficiary for review;
 - 6) in the event of an insured event, to make an insurance payment in the manner and within the terms established by the Law;
 - 7) in case of insufficiency of documents confirming the fact of occurrence of the insured event and the amount of payment to be compensated by the insurer for the purpose of elimination by the insurant (beneficiary) of environmental damage, 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;

- 8) reimburse the insurant (beneficiary) for the costs incurred by him in order to prevent or reduce environmental damage caused as a result of an accident in the event of an insured event;
- 9) ensure the secrecy of insurance;
- 10) in case of making a decision to refuse insurance payment, send to the insurant a written justification of the reasons for refusal within 10 (ten) days from the date of this decision 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.
- 11) upon receipt of an application from the insured (beneficiary), consider the claims of the insured (beneficiary) and provide a written response indicating the further dispute settlement procedure within 5 (five) business days.
- 12) upon receipt of an application from the insurant (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.

8.4. The compulsory environmental insurance agreement may also provide for other obligations of the insurer that do not contradict the laws of the Republic of Kazakhstan.

9. RIGHTS OF THE BENEFICIARY

9.1. The beneficiary has the right to:

- 1) inform the insurer about the occurrence of an insured accident that occurred as a result of the implementation by the insurant (insured) of environmentally hazardous types of economic and other activities;
- 2) collect the documents necessary for the insurance payment and submit them to the insurer;
- 3) to engage an independent expert to establish the nature and extent of the environmental damage caused by the accident;
- 4) familiarize themselves with the results of the assessment of the cost of elimination (remediation) of environmental damage caused as a result of an accident, and calculations of the amount of insurance payment made by the insurer (including through the insurer's Internet resource) or an independent expert;
- 5) to receive an insurance payment in the manner and within the terms established by the Law;
- 6) apply to the insurer, taking into account the features provided for in Section 18 of the Rules, or to the insurance ombudsman or to the court to settle issues arising from the compulsory environmental insurance agreement;
- 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 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.

10. AMOUNT OF THE SUM INSURED

- 10.1.** The amount of the insurance amount is established by agreement of the parties in the compulsory environmental insurance agreement, but the amount of the insurance amount must be not less than:
- 1) 5000 times the monthly calculation index established by the law on the republican budget for the relevant financial year, as of the date of conclusion of the compulsory environmental insurance agreement with an individual who is an individual entrepreneur;
 - 2) 65000 times the monthly calculation index established by the law on the republican budget for the relevant financial year, as of the date of conclusion of the compulsory environmental insurance agreement with a legal entity.

11. AMOUNT OF INSURANCE PREMIUM

- 11.1.** The amount of the insurance premium in the compulsory environmental insurance contract shall be established by agreement of the parties, but the amount of the insurance premium shall not exceed:
- 1) in the cases provided for by subparagraphs 1) and 2) of paragraph 10.1. of the Rules, from 0.76 to 2.65 percent of the insurance amount established in the compulsory environmental insurance agreement.

12. PROCEDURE AND TERMS OF INSURANCE PREMIUM PAYMENT

- 12.1.** The procedure and terms of payment of the insurance premium shall be established by the compulsory environmental insurance agreement.
- 12.2.** Unless otherwise provided for by the compulsory environmental insurance agreement, the insurant shall be obliged to pay a penalty to the insurer in the manner and amount established by the Civil Code of the Republic of Kazakhstan for late payment of the next insurance premium.
- 12.3.** The insurer provides the opportunity to pay the insurance premium in a non-cash way through the insurer's Internet resource.

13. INSURED EVENT

- 13.1.** An insured event under a compulsory environmental insurance agreement is the fact of occurrence of civil liability of the insured for the elimination (remediation) of environmental damage caused as a result of an accident.
- 13.2.** Proof of the occurrence of an insured event, as well as the losses caused by it, lies with the insured (beneficiary).

- 13.3.** In case of refusal of the insurer to make insurance payment, the insured event shall be deemed to have occurred from the date of entry into force of the court decision on elimination of environmental damage caused by the insured.
- 13.4.** The amount of insurance payment shall be determined by the insurer based on the cost of elimination (remediation) of environmental damage, taking into account the provisions of paragraph 2.2. Rules.

14. GENERAL CONDITIONS FOR INSURANCE PAYMENT

- 14.1.** The claim for insurance payment to the insurer shall be submitted by the insurant or the 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 attachment of documents necessary for the insurance payment.
- 14.2.** At the request of the insurer, the applicant shall be obliged to submit to the insurer the originals of documents necessary for carrying out 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;
- 14.3.** The following documents shall be attached to the application for insurance payment:
- 1) a copy of the remediation program approved in accordance with the environmental legislation of the Republic of Kazakhstan;
 - 2) documents confirming the expenses incurred by the insured in order to prevent or reduce environmental damage in the event of an insured event - if any;
 - 3) in some cases - the decision of the court that found the insured responsible for the occurrence of the insured event.
- 14.4.** 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. In case the insurant (insured, beneficiary) sends a claim for insurance payment in electronic form, the insurer may submit this certificate to him in electronic form;
- 14.5.** The beneficiary is the insurant or other person obliged to eliminate environmental damage, including at the expense of the insurance payment.
- 14.6.** The insurance payment may not exceed the cost of elimination (remediation) of environmental damage caused as a result of the accident.
- 14.7.** Upon a written application of the insurant (beneficiary) or a notarized power of attorney, the insurance payment may be made directly to the person who performed (performs) the work and renders (provides) services to eliminate environmental damage caused as a result of the accident.
- 14.8.** When making an insurance payment, the insurer is not entitled to demand from the beneficiary to accept the conditions restricting his right of claim against the insurer.

15. PROCEDURE FOR MAKING AN INSURANCE PAYMENT

- 15.1.** The insurance payment shall be made by the insurer within 30 (thirty) days from the date of receipt of the documents provided for in paragraph 14.3. Rules.
- 15.2.** In cases where the amount of insurance payment is disputed by the beneficiary, the insurer is obliged to immediately make the insurance payment in that part of it, which is not disputed by any of the specified persons, within the period established by paragraph 15.1 of the Rules.
- 15.3.** The disputed part of the insurance payment shall be paid by the insurer within three working days from the date of conclusion of the settlement agreement and its approval by the court or from the date of entry into force of the court decision on this dispute, if the court does not refer the decision to immediate execution.
- 15.4.** 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.

16. THE RIGHT OF RECOURSE AGAINST THE PERSON WHO CAUSED THE DAMAGE

- 16.1.** The insurer that has made the insurance payment has the right of recourse to the insurant (insured) within the limits of the insurance payment made in the following cases:
- 1) commission by an insurant (insured) of actions (inaction) 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 an insured event;
 - 2) communication by the insurant to the insurer of knowingly false information about the object of insurance, insurance risk, insured event and its consequences;
 - 3) 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.
- 16.2.** An insurer that has made an insurance payment in accordance with a compulsory environmental insurance agreement on account of elimination (remediation) of environmental damage shall be transferred within the amount paid by it to the right of claim that the insurant has against the person responsible for causing damage.

17. GROUNDS FOR EXEMPTION OF AN INSURER FROM INSURANCE PAYMENT

- 17.1.** 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.
- 17.2.** The grounds for refusal of an insurer to make an insurance payment may also be:
- 1) receipt by the insured of appropriate reimbursement of expenses from the person guilty of causing environmental damage;
 - 2) failure to notify or untimely notification of the insurer about the occurrence of an insured event, except for cases provided for by the Law and these Rules;
 - 3) communication by the insurant to the insurer of knowingly false information about the object of insurance, insurance risk, insured event and its consequences;
 - 4) deliberate failure by the insured to take measures to reduce the costs of the insured event;
 - 5) obstruction by the insurant to the insurer in investigating the circumstances of the occurrence of the insured event and establishing the nature and extent of the environmental damage caused, as well as the cost of its elimination;
 - 6) waiver of the insurant'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.
- 17.3.** If the insurance indemnity has already been paid, the insurer has the right to demand its return in full or in part.
- 17.4.** Failure to notify or untimely notification of the insurer about the occurrence of an insured accident cannot serve as a basis for refusal of insurance payment, if it is due to reasons beyond the control of the insurant, and the relevant documents confirming this fact are submitted.
- 17.5.** If there are grounds for refusal of insurance payment, within 10 (ten) working days from the date of presentation of the claim, it is obliged to send to the person who filed the claim for insurance payment the appropriate decision on full or partial refusal of insurance payment in writing with a reasoned justification of the reasons for refusal and notification of the right of the insured (insured, beneficiary) to apply to the insurance ombudsman to settle disagreements, taking into account the specifics of the legislation of the Republic of Kazakhstan.
- 17.6.** The insurer is exempt from making the insurance payment if the insured event occurred as a result of:
- 1) military actions, civil war, civil unrest of any kind, mass riots or strikes;
 - 2) emergencies of a natural nature.
- 17.7.** An insurer shall not have the right to refuse insurance payment on the grounds not provided for by this Article.

18.PROCEDURE FOR ELECTRONIC CONCLUSION OF AN INSURANCE CONTRACT AND SETTLEMENT OF INSURED EVENTS

- 18.1.** 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.
- 18.2.** 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.
- 18.3.** 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.
- 18.4.** 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;

19. FEATURES OF SETTLEMENT OF DISPUTES ON COMPULSORY ENVIRONMENTAL INSURANCE

- 19.1.** In the event of a dispute arising from the insurance contract, the insured (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".
- 19.2.** 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.
- 19.3.** Upon receipt of an application from the insurant (third party, beneficiary) the insurer shall, within five working days, consider and provide a written response indicating the further dispute settlement procedure.
- 19.4.** 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 insured (insured, beneficiary) is not mandatory.