



Approved by the Decision of the Board of
“NAIRI INSURANCE” INSURANCE LLC
N 07 dated 31 January 2018
(Valid from 15.02.2018)

PROPERTY INSURANCE TERMS AND CONDITIONS

SECTION 1. GENERAL PROVISIONS

1.1 Property Insurance Terms /hereinafter referred to as Terms/ have been worked out in accordance with Law of the Republic of Armenia “On Insurance and Insurance Activity”, the Civil Code of the Republic of Armenia and other legal acts

1.2 Property insurance made by “NAIRI INSURANCE” Insurance LLC (hereinafter referred to as Insurer) is included in the category of non- life insurance type “Fire and natural disasters insurance” and “Property damage insurance” categories determined by Law of the Republic of Armenia “On Insurance and Insurance Activity”

1.3 According to Law, other legal acts and Conditions, Insurer signed property insurance contract and (or) insurance certificate (hereinafter referred to as Contract) with legal entities or capable individuals (hereinafter referred to as Insured)

1.4 In accordance to the Contract, Insurer is obliged to make indemnity of the insurance sum in case of Insured event compensating the Insured or the person (hereinafter referred to as Beneficiary) who has got property interest, entitled to receive insurance indemnity

1.5 In accordance with the Present Terms by saying indemnity payments made by Insurer caused by the damages of insured property should be understood the real damage, that is the destruction, loss or damage of insured property, also the expenses which Insured has incurred or will incur for abolishing the results of the insurance event according to the events defined in the 15.2, 15.3, 15.4 clauses.

1.6 A contract may be concluded only in favor of a person who has the benefit of maintaining the property on the basis of a law, other legal act or contract. In case of absence of the interest of the Insured or Beneficiary to maintain the insured property, the Contract is invalid.

1.7 All the provisions of the Conditions which concern the Insured are equally referred to the Beneficiary if they don't contradict with the Law and other legal acts.

1.8 Contract signing in favour of Beneficiary doesn't exempt Insured from the obligations determined by the Contract if the Contract doesn't determine that Beneficiary should undertake the obligations.

1.9 Terms are attached to the Contract, are considered inseparable part of it and are obligatory for Insurer and Insured (hereinafter referred to as Parties)

1.10 By mutual agreement Contractual Parties can provide for the changing (non-use or other provisions which do not contradict to other legal acts) of separate provisions of Terms in Contract.

SECTION 2. DEFINITIONS

2.1. **Insured:** a person who has signed an insurance contract with the insurer.

2.2 **Beneficiary:** a person who is entitled to receive insurance indemnity provided for under an insurance contract in case of an insurance event.

2.3 **Third person:** other than the Insured, the Beneficiary, their employees, and other persons affiliated with them.

2.4 **Employee of the Insured (Beneficiary):** a person who is carrying out works based on labor or civil law contract.

2.5 **Affiliated person:** a member of the family of Insured (Beneficiary) (father, mother, sister, brother, spouse and his / her parents, children), a person running a common household with the Insured (Beneficiary), a person who has signed a lease, pledge or other agreement that grants the right to dispose, use or maintain the property, as well as a person providing services on the property.

SECTION 3. INSURANCE OBJECT

3.1 The insurance object is the property interests of the Insured (Beneficiary) not contradicting the Legislation of the Republic of Armenia and which are connected with property disposition, possession and/or exploitation.

3.2 In accordance with the Contract signed based on the Terms, insured can be

3.2.1 whole realty (buildings, including private houses) as well as separate architectural and constructive parts and units (parts of the buildings, inhabited and non inhabited territories, their internal design and covering)

- 3.2.2 movable estate (equipments, force or other machines, transferring vehicles, goods, material, etc.)
- 3.3 According to Terms, insured property is considered those which are not included in the exceptions of the following section's 2-11 subclauses.
- 3.4 In case when each separate unit of property is not mentioned in the Contract, only property's groups are mentioned by categorization of some features (for example vehicles, equipments, goods, storage, etc.), insured property is understood as all the subjects which exist in the insurance territory and are part of property which occurred at the time of Contract signing and those which have been added to the groups by third persons and are not insured by other Contract.
- 3.5 If the property transferred to the Insured for the protection, repair and etc., is insured, it shall be deemed to be in favor of the insured person unless otherwise provided by the Contract.
- 3.6 If it is directly mentioned in the Contract, insurance covers Insured's employee' and family's members' (only in case of physical entities) property damage, which usually is in the insurance territory by Insured's claimer or is used for his economic activity. In this case they are considered Beneficiaries of property. Such insurance doesn't cover transport means and property mentioned in 3.7 and 3.9 subclauses.
- 3.7 If it is directly mentioned in Contract and if Insured has provided protection means and agreed about them with Insurer, so insurance covers also
- 3.7.1 cash money
 - 3.7.2 bonds and excise brands
 - 3.7.3 Valuable and rare mtals, precious stones, pearls and jewellery
 - 3.7.4 Stamps, coins, medals, paintings, carves, collections of other subjects which are considered art compositions
 - 3.7.5 bank cards and express payment cards.
- 3.8 Automobiles, rail, water and air transport means are considered insured only in they are protected in fenced or closed territory and only if such insurance is prescribed by the Contract
- 3.9 If it is directly mentiond in the Contract insurance also covers
- 3.9.1 paper or electctronical-media basedprojects and other documents
 - 3.9.2 drafts, negative and positive tapes, reproductive clichés, etc.
 - 3.9.3 templates, models, etc.
 - 3.9.4 data based mdia, electronical administrative systems and global used programs and devices
 - 3.9.5 preserved and tinned production equipments.
- 3.10 According to Terms, property is not insured if it is situated
- 3.10.1 in emergency building where inhabitation is forbidden by certain legislative bodies
 - 3.10.2 Landslide or collapse or other natural disaster zone which was declared by certain bodies
- 3.11 Insurance doesn't cover
- 3.11.1 minerals not taken from water resources, or soil
 - 3.11.2 microorgans, plants and animals
 - 3.11.3 offshore buildings and constructions
 - 3.11.4 explosive material or ammunitions
 - 3.11.5 garbage dump
 - 3.11.6 equipments used when producing nuclear fuel
 - 3.11.7 emergency buildings and property in it.

SECTION 4. FIRE, LIGTENING, EXPLOISION INSURANCE: INSURANCE CAUSED BY FALLING OF FLYING OBJECTS OR CLASHING WITH THEM

- 4.1. Insurer shall make an insurance indemnity in case of damages caused by
- 4.1.1 fire
 - 4.1.2 lightning
 - 4.1.3 exploision

4.1.4 falling of the flying object led by the pilot or by clashing with it, also by falling of its' parts or luggage

4.2. Fire

4.2.1. In accordance with the present Terms by saying "Fire" is realized burning by open fire or lightly burning fire which has been caused in the areas not anticipated specially for it or has been spread out of that non anticipated territory and is capable of further spreading

4.2.2. "Damage caused by the fire" is realized as damage caused to the insured property which is the result of immediate influence of fire, high temperature, results of fire (smoke, soot, etc.) as well as damage caused to the insured property while putting out fire

4.2.3. In case of fire insurance, Insurer doesn't make indemnity for

4.2.3.1 Insured property damage caused by fire or high temperature which occurred from processing and re-processing (drying, boiling, ironing, incising, stewing, hot working, casting of metals) fire and temperature influence, including property damage by which or in which is produced fire or temperature which is specially designed for its producing, preserving, spreading or transferring (heater, ventilators, thermos-converters, DENOX equipments)

4.2.3.2 Insured property damage caused by fireplace or heaters, fallen or burning coals, cigarettes or tobacco pipes, welding lamps, similar subjects or from scorching spreading from the place specially designed for it except the case of fire occurrence

4.2.3.3 Damage caused by electrical equipment which occurred from electricity (including short circuit excitation of electrical power and tension), accompanied by flashes or temperature except cases of open fire. In accordance with the Terms by saying electrical equipments are realized any kind of objects in which electricity is produced, transferring or consuming (including electrical cables)

4.3. Lightning:

4.3.1. In accordance with the following terms "Thunderbolt" or lightning is realized as direct atmospheric charge on the insured property

4.3.2. "Damage caused by thunderbolt" is realized as the damage which has been caused by the electrodynamic or thermal influence on the property

4.3.3. The following are not considered insured and are not compensated

4.3.3.1 damages caused by electrical equipments which are the result of

- Phenomena of thermo impacts as a result of impact of electricity or additional loading or atmospheric conditions which are static electricity, atmospheric discharge, as well as induction of similar phenomena
- Thunderbolt of electrical cables which are the result of electricity transmission

4.3.3.2 during current use of any kind of protective insulators, switches, thunderous arresters or similar equipments

4.3.4. Damage caused to insured property which occurred as a result of hypertension of thunderbolt influence can be insured by special agreement of the Parties.

4.4. Explosion

4.4.1. According to Terms "Explosion" is understood as a process of rapid outflow of huge amount of energy in a short period of time and by limited extent, which occurred in the result of expansion of gas or vapor.

4.4.2. According to Terms gas explosion for household or industrial reasons, gas cooker explosion, gas pipes, containers working under pressure and similar other equipments as well as explosion of explosives are considered insured.

4.4.3. Damage is not considered an insured event and is not compensated, where

4.4.3.1 the result of Insured's or third party's activity

4.4.3.2 the result of explosion in internal combustion cell of the vehicles

4.4.3.3 tension power inside of the electrical equipments

4.4.3.4 explosion as a result of ordinary components of industrial process, including dust and / or other industrial explosions.

4.4.3.5 as a result of pressure decrease inside the container

4.4.3.6 reservoir explosion (as prescribed in 2.4.3 subclause of the Terms) which has been produced from frazzle, extremely rusting, sediment on the walls, etc.

4.4.4 According to insurance prescribed in this section damages which are directly or indirectly connected with earthquake, volcano or thunder are not compensated except cases when insurance of the following risk is provided by the Contract.

SECTION 5. THUNDER AND HAIL INSURANCE

5.1. Insurer makes insurance indemnity of damages which occurred as a result of

5.1.1 **thunder**

5.1.2 **hail**

5.2. **Thunder** is understood as sudden, intense, directional frequently changing wind of higher than an average speed (17m/s, 8 and more degrees of Bosfor scale)

Wind speed must be affirmed by a certificate of state protection bodies of environmental conditions. If such a certificate can't be provided irrespective of any reasons, so it is considered that wind has been of enough speed if Insured proves any of the reasons as follows:

5.2.1 movements of air mass caused damage or destruction of buildings or property in good condition

5.2.2 damage or destruction of insured property may only have been occurred by thunder influence.

Within the framework of the following section, all provisions referring to buildings are spread on buildings and storages as well.

5.3 **Hail** is understood as atmospheric precipitations in spherical and icy form

5.4 Damage caused by hail or thunder is understood as

5.4.1 the result of direct mechanical influence of wind stream

5.4.2 direct clash with the movable objects as a result of wind speed

5.4.3 mechanical influence of insured objects by icy particles

5.5. Damage is not considered an insured event and is not compensated, if it

5.5.1. has been caused by penetrating through holes and open spaces of the buildings if the latter haven't been occurred by hail or thunder

5.5.2. has been caused to movable estate which is situated outside the building except the property which is set outside the building.

By additional agreement of the Parties, property which is outside the building (on open space) can be insured from "Thunder" risk as well.

5.5.3. has been caused to the building which have been constructed by deviation of constructive norms or to the building which is in bad or emergency condition or which demands repair as well as property situated in such a building.

5.5.4. has been caused to the building under construction, not exploited buildings as well as property in such buildings.

5.6. Damages caused by thunder of 72 hours long in a row are considered an insured event.

Damages caused by hail of 24 hours long in a row or with interruptions are considered insured event.

5.7. According to insurance prescribed in this section are not compensated damages which are directly or indirectly connected with

5.7.1. flood or massive snow, except cases when insurance of the following risk is provided by the Contract.

5.7.2. wrecking.

SECTION 6. OTHER NATURAL DISASTERS INSURANCE

6.1. Insurer makes insurance indemnity in case of damages which are the result of

6.1.1. flood

- 6.1.2. earthquake
- 6.1.3. volcano eruption
- 6.1.4. land sediment
- 6.1.5. landslide, collapses
- 6.1.6. massive segments of snow

Each of the risks mentioned in 6.1.1-6.1.6 subclauses of the following Section are considered insured if it is directly mentioned in the Contract.

6.2. Flood

6.2.1. "Flood" is understood as sudden coverage of the insured territory by water which is the result of river, lake, sea or natural/ artificial pond's water lifted, of cracks, tsunamies, as well as heavy rains.

6.2.2. According to Terms wrecking is not considered an insured event

6.2.2.1. if it has been predetermined by winds producing waves and water level lifting

6.2.2.2. water rising from ponds which could have been predicted by local conditions

It is considered that shore leaving can be predicted if in last 30 years such incidents have taken place of 10 years' interruption.

6.2.3. Damage caused by flood is not considered an insured event and is not compensated, if it

6.2.3.1. has occurred because of mold as a result of moisture

6.2.3.2. has occurred because of alkaline waters

6.2.3.3. has occurred because of water outflow from sewage system, if the latter isn't the result of flood.

6.3. Earthquake

6.3.1. "Earthquake" is understood as the perceptible shaking of the surface of the Earth, resulting from the sudden release of energy in the Earth's crust that creates seismic waves.

6.3.2. Insurance covers damages of earthquake if the latter has been registered by competent seismograph service of the insured territory and the energy released by an earthquake is 4 magnitude and higher by the Richter scale or 5 (five) degrees on the MSK-64 simplified international scale of earthquake assessment.

6.3.3. Earthquake damages are covered by insurance only in case when Insured proves that seismological peculiarities of the territory have been taken into account when the buildings were being constructed.

6.4. Volcano eruption

6.4.1. Volcano eruption is outflow of lava, hot gases and particles of rocks from volcano crater

6.4.2. The direct influence of lava, hot gases and particles of rocks is understood as volcano eruption damages.

6.5. Land sediment

6.5.1. Land sediment is solid material that is moved and deposited in a new location. Sediment can consist of rocks and minerals, as well as the remains of plants and animals. It can be as small as a grain of sand or as large as a boulder.

6.5.2 Insurance coverage is not spread on damages caused by the sediment which occurred before the Contract

6.5.3. Insurance coverage is not spread on damages caused by the sediment which occurred as a result of

6.5.3.1. freezing and melting of ground

6.5.3.2. dynamic impact of ground layer

6.5.3.3. extra drying, drainage of ground

6.5.3.4. reconstruction and repair of buildings, several types of constructive works, particularly, ground removing, inserting underground means of communication

6.5.3.5. explosive works, developing minerals, etc.

6.5.3.6. shore and river erosion of ground layer

6.5.3.7. insertion of new constructions

6.5.3.8 influence of ground water

6.5.4. Land sediment insurance doesn't cover damages which directly or indirectly have been occurred because of

6.5.4.1. earthquake

6.5.4.2. volcano eruption

6.5.4.3. flood

except cases when insurance of the following risk is provided by the Contract.

6.6. Landslide (collapses)

6.6.1. Landslide is a form of mass wasting that includes a wide range of ground movements, such as rockfalls, deep failure of slopes, and shallow debris flows. Landslides can occur in underwater, coastal and onshore environments.

6.6.2. Landslide insurance doesn't cover ground recovery expenses.

6.6.3. Insurance coverage is not spread on damages caused by the landslide which have been occurred as a result of
6.6.3.1. different types of construction works, particularly, removing ground or inserting underground means of communication, destroying buildings, repair or reconstruction.

6.6.3.2. explosive works, developing minerals, etc.

6.6.3.3. shore and river erosion of ground layer

6.6.3.4. insertion of new constructions

6.6.4. Landslide insurance doesn't cover damages which directly or indirectly have been occurred because of

6.6.4.1. earthquake

6.6.4.2. volcano eruption

6.6.4.3. flood

except cases when insurance of the following risk is provided by the Contract.

6.7. Massive segments of snow

6.7.1. Massive segments of snow is understood as moving mass of ice or snow which is sliding from a mountain

6.7.2 Together with mechanical influence of massive segments of snow such type of insurance also covers damage of air pressure accompanying snowdrop process.

6.7.3. Massive snowdrop insurance doesn't cover damages which directly or indirectly have been occurred because of

6.7.3.1. earthquake

6.7.3.2. volcano eruption

6.7.3.3. flood

except cases when insurance of the following risk is provided by the Contract.

6.8. Insurance prescribed in this section doesn't cover the damages which have been caused to buildings under construction, not exploited buildings as well as property in this building.

SECTION 7. INSURANCE OF DAMAGES CAUSED BY WATER AND HEATING SUPPLY, SEWAGE AND SIMILAR OTHER WATER SYSTEMS

7.1. Insurer makes insurance indemnity for damages caused to insured property in cases of sudden water damages which have outflow from

7.1.1. water distribution, sewage, heating or freezing supply systems

7.1.2. equipments which are directly connected with the systems mentioned in 7.1.1 subclause, such as tap, water tank, bath, heating boiler, etc.

7.1.3. as a result of explosion of pipe or imprudence of a third party.

According to the following section "water" is understood as liquid from vapor and temperature which are brackish water, oil, etc.

7.2. Insurance mentioned in this section doesn't cover

7.2.1. damages described in the 5.1 subclause of the Terms

7.2.2. damages inside the building occurred by moisture

7.2.3. damages caused to the insured property which are the result of water influence for territory cleaning or water outflow from the roofs.

7.3. insurance doesn't cover damages which directly or indirectly have been occurred because of

7.3.1. sewage water outflow which differs from sewage pipe explosion

7.3.2. corrosion of water distribution or similar systems, if such systems belong to the building where insured property is located and Insured is responsible for them by force of the Contract

7.3.3. fire extinguishing water systems or outflow of water pipes

7.3.4. ground sediment or slides

7.4. Insurance prescribed in this section doesn't cover the damages which have been caused to buildings under construction, not exploited buildings as well as property in this building.

7.5. Insurance doesn't cover damages which directly or indirectly have been occurred because of earthquake, volcano eruption, flood except cases when insurance of the following risk is provided by the Contract.

SECTION 8. INSURANCE OF DAMAGES CAUSED BY SPRINKLER SYSTEMS AND WATER PIPES

8.1. Insurer makes insurance indemnity in case of such damages which have been occurred from water pipes or other equipments which are part of fire extinguishing water systems or a sudden outflow of water occurred in such pipes because of explosion or switching them on without necessity.

Insurance prescribed in this section refers only to the pipes and equipments which are exceptionally designed for fire fighting system.

8.2. Insurance doesn't cover damages which have been caused to

8.2.1. system mentioned in 6.1 subclause

8.2.2. buildings under construction, not exploited buildings as well as property in this building.

8.3. Insurance doesn't cover damages which directly or indirectly are connected with

8.3.1. testing, reconstruction or repair of systems mentioned in 6.1 subclause of Terms

8.3.2. construction or repair of the building

8.3.3. ground sediment or slides

8.3.4. mold, rottenness, fungus.

8.4. Insurance doesn't cover damages which directly or indirectly have been occurred because of earthquake, except cases when insurance of the following risk is provided by the Contract.

SECTION 9. INSURANCE FROM ROBBERY, THEFT BY BURGLARY, BRIGANDAGE

9.1. Insurer shall make insurance indemnity for damages which are the result of

9.1.1. burglary

9.1.2. robbery or brigandage

9.1.3. robbery or brigandage while transferring

The latter risk is considered insured only if it is directly mentioned in the Contract.

9.2. Insurance prescribed in this section covers only following insured property

9.2.1. in case of burglary risk- property inside of the buildings located in the insured territory

9.2.2. in case of robbery or brigandage risk- property inside storages and also fenced protected constructions which are located in the insured territory

9.2.3. in case of risk of robbery or brigandage while transferring- property transferring in Republic of Armenia or in the territory mentioned in the Contract.

According to the Terms dwelling (inhabited) territory is understood as a construction which is designed for temporary placement of people or material benefits for production or service reasons.

Storage is understood as a building designed for temporary or permanent preservation of material benefits, particularly, safety boxes, fridge, container, market on movable vehicle, ATM machine, and other similar storages or depositories.

Fenced territory, stalls, showcase shells are not considered to be a storage.

9.3. If it is directly mentioned in the Contract, burglary insurance mentioned in 9.1.1. subclause is spread on property outside of the storage.

9.4. According to Terms burglary is understood as grabbing when villain has done the following actions:

9.4.1. has broken into the mentioned territory (by making holes in roofs as well) or by false keys and other technical methods (including electronical). False key has been made by a person who doesn't have right to possess a copy of the key.

Only one fact of property disappearance in the Insurance territory is not considered enough evidence (proof) that false key has been used.

9.4.2. has broken the storage in the territory of the building or has used false keys or other devices to open it. Territories which, besides Insured, are used also by Insured's employees or third parties for service or economic reasons, insurance coverage is provided only in case when it is mentioned in the Contract.

9.4.3. from closed space of the insured territory has kidnapped property situated in it- by breaking into it secretly and has used one of the methods mentioned in 9.4.1. subclause for getting out.

However, if as a result of the actions mentioned in the 9.4.3. subclause of the Terms, property mentioned in 3.7. subclause has been grabbed, burglary is considered completed if villain has possessed the key by one of the following methods

- by burglary mentioned in 9.4.2. subclause of the Terms, if it is protected as properly as in the storage, where insured property is situated.
- by burglary - if storage where insured property is preserved, has two locks, keys of which are preserved out of the insured territory.
- by burglary done out of the insured territory

9.4.4. has broken out in the building by original key or opened the storage by original key which he has possessed also by burglary out of the insured territory

9.4.5. has broken out in the building by original key which he has possessed by ordinary robbery done out of the insured territory if Insured or a person possessing the key hasn't been careless which will cause grabbing the keys.

Except cases when insurance of the following risk is provided by the Contract, the mentioned insurance doesn't cover damages which have been by caused as a result of the burglary from the external showcases (windows) without the villain's breaking out the building.

9.5. In addition to conditions mentioned in 9.4. subclause, burglary is considered completed only in case when the event contains the elements of the offense set forth in Article 176 of the RA Criminal Code and competent legal bodies have made decision of criminal case concerning this burglary.

9.6. Robbery or brigandage /mentioned in 9.1.2. / are considered completed if the competent legal bodies have made decision of criminal case with the elements of the offense in accordance with the legislation of the Republic of Armenia.

9.7. In case of parking the vehicle in the protected area or enclosed space the the insurance Robbery or brigandage (subclause 9.1.2.) at the same time covers the unlawful possession of the vehicle without the purpose of stealing, provided that the event is in conformity with Article 177 or 175 of the Criminal Code of the Republic of Armenia, Article 9.6 of the Conditions and the relevant State Authorized Body issued a decision to open a criminal case on the characteristics of the crime.

9.8. In addition to conditions in 9.1. and 9.6. subclauses, in case of insurance from robbery, brigandage while transferring, the following provisions are used

9.8.1. the insurance covered by this paragraph shall not apply to the carriage of goods, including values and cash money, on the basis of the Contract of the Insured with specialized carriers or cash collectors

9.8.2. people who make transmissions by Insured's assignment are equated with Insured

9.8.3. transmission is carried by at least 2 people of 18-65 age who don't have serious health disorders.

9.8.4. launch of transmission is considered the moment when handling load on the transport means.

End of transmission is considered the moment when unloading the property.

Person carrying the transmission should drive from the starting point to the finish line without deviating from the route if it is not extremely necessary

9.8.5. Burglary or brigandage is considered completed only in case when property has been kidnapped in the place where violence or threat of violence has been used.

Insurance doesn't cover the loss of property which has been done by a villain outside of the territory mentioned in the following subclause.

9.8.6. In conditions mentioned in 7.6 b) subclause, burglary is considered completed only in case when there was an opportunity of violence.

9.9. Event described in 9.5., 9.1. and 9.6. subclauses is not necessary for demanding a criminal case if competent bodies have refused to initiate criminal proceedings.

9.10. Insurance prescribed by the following Section doesn't cover damages which directly or indirectly are connected with

9.10.1. Insured's or his relatives' intentional actions, if Insured is a physical entity

9.10.2. Intentional action of Insured's employee or such person's intentional action who is considered Insured's employees by 9.1. subclause of the Terms, only if actions haven't been organized and completed in the period when insured territory was closed for those people.

9.10.3. burglary or brigandage when transmitting (9.1.3 subclause of the Terms) - if damage has been caused by intentional actions of any person, who was assigned to protect or transfer property.

9.11. Insurance doesn't cover damages which directly or indirectly have been occurred because of earthquake, water distribution, heating, sewage or similar systems except cases when insurance of the following risk is provided by the Contract.

SECTION 10. INSURANCE FROM THIRD PERSON'S INTENTIONAL ACTIONS OF INSURED PROPERTY'S DAMAGE

10.1. Insurer makes insurance indemnity of damages which are the result of third person's actions towards insured property and which can be legally categorized as

10.1.1. Intentional destruction or damage of property

10.1.2. brigandage

10.1.3. barbarism

If the competent legal bodies qualified and categorized accidents differently, so insured event is not compensated.

10.2. Insurance prescribed by the following section doesn't cover damage which has been caused

10.2.1. to glasses, mirrors, showcases or other glass subjects, which can be insured by this section

10.2.2. as a result of collision of vehicles

10.2.3. grabbing which also is not covered in accordance with Terms

10.3. According to insurance prescribed in this section damages which are directly or indirectly connected with earthquake are not compensated except cases when insurance of the following risk is provided by the Contract.

SECTION 11. INSURANCE FROM COLLISION OF VEHICLES, SMOKE INFLUENCE AND SOUND STRIKE

11.1. Insurer makes fulfillment of the Insurance indemnity in case of damages which are the result of

11.1.1. collision of vehicles

11.1.2. smoke influence

11.1.3. sound strike

11.2. As accident of collision of vehicles is understood a destruction or damage of insured property which is the result of clash with means of transport or burden transferring by it.

11.3. Insurance prescribed in this section doesn't cover

11.3.1. damages caused to Insured's, his/her employees' or insured building's owner's transport means.

If Insured is a physical entity, then provisions mentioned in this section don't refer to his/her members of family.

11.3.2. damages which occurred while transferring insured objects by roads.

11.4. Damage which is the result of smoke influence is considered any damage of insured property which occurred in the insured territory by heating, drying or food producemnet equipments' unpredictable smoke and not proper outflow.

Insurance prescribed in the following section doesn't cover damages caused by deviation of instructions or technical documents of the mentioned equipments.

11.5. According to Terms, sound strike takes place only in case when it has been produced by flying object crossing the sound obstacle.

11.6. According to insurance prescribed in this section, damages which are directly or indirectly connected with earthquake are not compensated except cases when insurance of the following risk is provided by the Contract.

SECTION 12. INSURANCE COVERING BREAKAGE OF GLASS, MIRRORS AND SHOWCASES

12.1. Insurer makes indemnity in cases which are the result of the following property breakage

12.1.1. glass of a window or a door, glass wall, mirror, constructive elements of showcases or windows and particles in the frame of the door and other similar installed glass elements

12.1.2. glass details, light or advertising equipments made from neon or other similar lamps

Insurer compensates only such cases when breakage covers all the surface thickness of the glas.

12.2. Insurance doesn't cover damage of such buildings' glasses which are under construction

12.3. Damage is not compensated if it has been caused

12.3.1. by casual or deliberate painting of insured glasses

12.3.2. by results of surface damage of glasss or glass subjects (for example breakage or scrape)

12.4. The following damages are not compensated which are directly or indirectly connected with

12.4.1. deinstallation of glasses or glass particles or window frames

12.4.2. proper settling of new buildings

SECTION 13. INSURANCE FROM RISKS OF OTHER EXTERNAL INFLUENCES

13.1 Insurer compensates expenses of insured property damages which are the result of any dangerous physical external factor's unpredictable activity and which are different from risks mentioned in 4-12 sections of Terms and are not exceptions of 13.3 subclause.

Within the framework of this section "Damage" is understood as not positive changing of the property. Damage is not realized if it existed before the Contract has entered into force, regardless the fact it changes the property shape or condition. Insurance of this section doesn't cover loss, grab of property.

"Unavoidable damage" is understood as damage which hasn't been predicted by Insured or his/her employees or can't have been predicted by their professional skills.

Within the framework of Contract, insignificant, slight changes which won't decrease property value are not considered a damage.

13.2. Loss or damage of documentation on media based storages is compensated if media content containing storage has been damaged.

13.3. Insurance prescribed by this section doesn't cover damages which are directly or indirectly connected with

13.3.1. exploitation, repair of technical or mechanical equipments

13.3.1. ordinary depreciation

13.3.1. abraision

13.3.1. usual influence of natural conditions, which should be taken into account by weather conditions

13.3.1. colour, smell or wight changes, sediment, reduction, division, contraction and expansion

13.3.1. internal putrefying, influence of animals, pants or microorganism

13.3.1. natural features of property

13.3.1. loss or distribution of energy

13.3.1. air conditioning, property freezing, heating systems as well as systems breaking which contain microlima, wrong exploitation, or temporary stopping

13.3.1. genes, gene mutation or other gene transformation activities

13.3.1. drying or extra-drying

13.3.1. processing or recycling

13.3.1. vibration of resistance in nets

13.3.1. wrecking

13.3.1. thermal assimilation

13.3.1. disruption of incandescent thaws

13.3.1. any other risks which are excluded from insurance coverage by the 4-12 and 13 sections of the following Terms

13.4. Notwithstanding the provisions of paragraphs 13.1.1 to 13.1.17, the damage caused by the direct impact of the risks referred to in paragraphs 14.4.1 to 14.4.8 of the Conditions are also not subject to compensation. Further damage of property is compensated if it is not directly excluded by the following section. According to this section the following groups are regarded - building, construction, vehicle and equipment, goods and storage, furniture and economic property.

13.5. Insurance prescribed by the following section doesn't cover buildings under construction, under exploitation and property in it which haven't been exploited.

SECTION 14. INSURED EVENTS AND MAIN EXCEPTIONS OF THE INSURANCE COVERAGE.

14.1 Insured Event is an accident occurred within the operation period of the Contract, in the event of the occurrence of which the Insurer shall be obliged to make an insurance

14.2 Insured event is considered to be destruction of property, its' damage or loss which is the result of subclauses from 4-12 in the Terms.

14.3 In accordance with Terms' sections 6-8, 10 and 11 insured event is understood as damages produced from an insured risk within 72 hours.

14.4 Unless otherwise provided for by the Contract, the event shall not be considered as Insured and the Insurer shall not make indemnification in cases as follows:

14.4.1. military operations, as well as maneuvers or other military activities, civil war

14.4.2. wars, insurrections, civil commotions

14.4.3. invasions, revolutions or terrorism.

14.4.4. armed attack, mass disorders, public unrest, terrorism, strikes, emergency situation, economic blockade, work stoppage of the means of communication, other restrictions and impediments established by the Government or other events similar to them

14.4.5. With the intent of the Insured (Beneficiary), his employees, affiliated persons, and persons entitled to dispose, possess or use such property. This person shall be deemed intentionally if he / she has been aware of the danger of his / her actions (inactivity), has predicted the occurrence of an insurance event and has reasonably allowed to do so or has treated it indifferently.

14.4.6. any kind of pollution or biological impact

14.4.7. Impact of nuclear explosion, radiation or radioactive contamination.

14.4.8. damage caused during and (or) as a result of repair, installation in or on it of spare parts, components, devices, supplementary equipment

SECTION 15. INSURED EXPENSES

15.1 In addition to insurance indemnity of property insured, during an insured event, insurer compensates reasonable and intended expenses which have been undertaken to decrease expenses of Insurer or if such expenses have been necessary by Insurer's assignments

15.2 If it is directly mentioned in the Contract, Insurer compensates the following expenses which Insured has suffered while an insurance accident

15.2.1. cleaning expenses of the territory- including transferring of rubbish or other remnants

15.2.2. expenses for recovering insured object-including protection expenses of the object, particularly, deinstallation of vehicles or double installation, etc.

15.2.3. expenses for recovery of documentation or storage data, programs, etc.

15.3 If it is directly mentioned in the Contract, Insurer compensates expenses which occur during theft including key lost and changing of locks.

15.4 If it is directly mentioned in the Contract, Insurer compensates expenses

15.4.1. of temporary changing of broken glasses if it is impossible to change glasses immediately

15.4.2. deinstallation of subjects which obstacle glass changing process

15.4.3. hiring of wood or installing them if they are necessary for recovering of broken glasses

15.4.4. painting, decorating of broken glasses

15.4.5. installation of advertisement light boxes

SECTION 16. CONTRACT SIGNING, ITS' VALIDITY PERIOD, PROVIDING COPY OF THE CONTRACT

16.1. The Contract shall be concluded in writing, on the basis of oral or written application (except cases mentioned in sub-clause 16.3 of the following Terms) submitted by the Insured. It must contain full data about insurance object and other necessary information. The Contract is an instrument concluded between the Insurer and the Insured according to which the Insurer shall be obliged to grant the Insured and the Beneficiary an insurance indemnity in return for the Insurance premium under the Contract and the procedure fixed by the present Terms.

16.2 Data about insurance object mentioned in the Contract by Insured person are considered as circumstances which have significant meaning in deciding the possibility of insurance accident happening.

16.3 The Contract shall be concluded on the basis of oral application if necessary information about insurance object is included in the Contract.

16.4 While signing the Contract Insured shall provide other documents and information necessary for the insurance risk precise assessment

16.5 Insured shall provide written information which may directly or indirectly have a certain influence on the prediction of the possibility of the insured event by the Insurer and extent of the possible damages occurred due to it

16.6 If after signing the Contract, it turns out that Insured has provided false information prescribed by the 16.1, 16.4, 16.5 subclauses, Insurer has right to make Contract invalid and use results determined by the Terms and other legal acts.

16.7 Before Contract signing, Insurer has right to examine the property as well as appoint expert examination for assessing real estate of property.

16.8 The Contract shall enter into force from the moment of mutually signing and /or/ concluding it, unless otherwise prescribed by the Contract. The operation period of the Contract shall be established by the Contract upon mutual consent.

16.9 Validation period of the Contract is mentioned in the Contract, otherwise, in accordance with the Terms, Contract enters into force

16.9.1. the day when sum insured is paid by cash

16.9.2. in case of non cash payment from the day when Insurer receives the sum

16.10 Contract enters into force from the start of insurance date- from 00:00 o'clock and is valid till the end of the contract period- at 23:59 o'clock.

16.11 Insurance date is determined by one-year period. Insurer and Insured can agree for longer insurance date.

16.12 Unless otherwise prescribed by the Contract insurance covers only insurance events which occur

16.12.1. after the date determined by the Terms

16.12.2. before the end of the Contract validation period

16.13 In case the property becomes the ownership of another person under inheritance or possession right, Insured shall immediately inform Insurer about it in written form. Property will be considered insured until the end of the Contract validation period.

16.14 In case of Contract Loss Insurer provides Insured copy of the Contract within 2 business days and the lost copy of the Contract is considered invalid and no insurance indemnity is made by it.

16.15 The Insurer shall have the right to refuse to make the insurance indemnity where at the time of the insured event the Insured has overdue obligations with respect to the Insurer in line with Insurance premium. The right of the Insurer established by the present clause shall be in force until 00:00 of the second working day following the expiry date of overdue obligations borne by the Insurer in line with Insurance premium.

In case of contradictions between the Contract and the present Terms the priority shall be given to the Contract, and in case of variant reading of the present Terms and their translations the priority shall be given to the Armenian version.

SECTION 17. PREMATURE TERMINATION OF CONTRACT, INVALIDITY OF CONTRACT

17.1 The Contract shall be early terminated:

17.1.1. if the risk of an accident occurred and the existence of the insurance risk has ceased as a result of another circumstance other than an accident.

17.1.2. when all the obligations stipulated by the Contract have been fulfilled by the Insurer

17.1.3. in other cases, set forth by the Legislation of the Republic of Armenia and the Contract.

17.2 Upon request of the Insurer, in case of the premature termination of the Contract, the Insurance premium shall be fully repaid to the Insured except for cases laid down by the Contract or the present Terms.

17.3 The Insurer shall prematurely terminate the Contract due to non-fulfillment or undue fulfillment of obligations by the Insured laid down by the Legislation of the Republic of Armenia, Terms or Contract and shall repay the Insurance premium calculated proportionate to non-expired period of the operation of the Contract, the basis of which is 70 /seventy/ percent of Insurance premium, unless otherwise provided for by the Contract

17.4 The Insured shall have the right to unilaterally terminate the Contract by informing the Insurer thereabout in writing not later than 15 /fifteen/ days before

17.5 In case when Insured early terminates the Contract, the premium calculated proportionate to non-expired period of the operation of the Contract, the basis of which is 70 /seventy/ percent of Insurance premium, is returned to him, unless otherwise provided for by the Contract.

17.6. In case when the premature termination of the Contract is provided by the violation of contractual terms by the Insurer, then the latter shall redeem the paid Insurance premium to the Insured proportionate to non-expired term of the Contract.

17.7 In case of premature termination of the Contract, the Insurance premium paid to Insurer shall not be redeemed if the Insured has applied to receive an Insurance indemnity in line with the given Contract and the claim of insurance indemnity has not been regulated (until the regulation of the insurance claim) by the Insurer or has received an insurance indemnity, unless the parties agreed otherwise.

17.8 In case when Insurer is dissolved, the latter must return Insured the insurance premium paid for the uncompleted period of insurance Contract.

17.9. The Contract shall be deemed as void and invalid in cases and under procedure prescribed by the Legislation of the Republic of Armenia, the Terms or the Contract.

SECTION 18. SUM INSURED AND INSURANCE VALUE

- 18.1 Sum Insured is maximum rate of the contingent insurance indemnity, subject to payment by the Insurer.
- 18.2 Sum insured cannot exceed the real (market) value of property at the time of signing the contract, otherwise the Contract is considered invalid on the part of the sum insured. Additionally paid insurance premium is not received back.
- 18.3 The sum insured shall be reduced with the extent of the insurance indemnity made.
- 18.4 If sum insured is lower than the real value of the property (partial insurance), Insurer will compensate the real value and insured sum proportionally.
- 18.5 Insured value is considered the real (market) value of property at the moment of insurance. The following can be the base for value determination
- 18.5.1 value declared by Insured
 - 18.5.2 value assessed by the estimators
 - 18.5.3 balanced remaining value of property
- 18.6 Real estate value of property can also be determined by
- 18.6.1 project value of the building or value of its material
 - 18.6.2 value of additional finishing works for building construction
 - 18.6.3 value of possessing new machines or vehicles for construction works if those vehicles have been damaged during construction and they are necessary.
 - 18.6.4 value of furniture and inventory
 - 18.6.5 additional necessary expenses for the producements of goods by Insured- including transportation expenses, stuff material, etc.
 - 18.6.6 goods wich are bought by Insured for further sell including transportation expenses
 - 18.6.7 for bonds it can be determined by reissued and printed material expenses
 - 18.6.8 for electronic systems or for coputer programming- installation expenses
- 18.7 Insured value cannot be disputed further except the cases when before the Contract Insurer had been confused deliberately at the moment of risk assessment.
- 18.8 Where during the operation period of the Contract the Insurer has carried out insurance indemnity, then the Sum insured shall be reduced to the extent of the insurance indemnity made. The Insured may demand the Insured to increase the rate of the Sum insured (it may not exceed the Insurance value) which shall be exercised by means of paying additional Insurance premium for the remaining period of the Contract and by concluding a supplementary consent.
- 18.9 If insurance value of property is decreasing, insured has right to decrease sum insured by certain amount
- 18.10. In case of payment of insurance indemnity to the Insured (Beneficiary), the amount of insurance will automatically decrease in the amount of compensation paid. The insurance sum is considered to be deducted from the date of making a decision on reimbursement of insurance indemnity by the Insurer. After receiving insurance indemnity, the Insured has the right to recover the original insurance sum for additional insurance premium.
- 18.11 After recovery of property Insured has right to renew primary sum insured by paying additional sum.
- 18.12 The extent of the insurance indemnity being paid shall not exceed the extent of the insurance indemnity actual at that moment.
- 18.13 Cash, bonds, documents, and expenses mentioned in 15.3-15.4 subclauses are considered insured by “first risk” in accordance with 28.2 subclause.
- 18.14 In addition to sum insured there can be fixed in the Contract maximum amount of the separate groups of the insured property insurance indemnity, insurance expenses, separate insurance risk groups, an insurance event or several insurance events.

SECTION 19. INSURANCE PREMIUM, PAYMENT ORDER, NON-PAYMENT CONSEQUENCES

19.1 Insurance premium is amount payable to the Insurer by the Insured in return for contingent insurance indemnity in the rate, fixed by the Contract. The procedure and method of the Insurance premium payment shall be determined by mutual consent of the Parties and shall be laid down by the Contract.

19.2 The insurance premium shall be calculated by the Insurer on the basis of the Insurance tariff for the whole period of the Contract, which shall be formulated by the coverage chosen by the Insured, type and extent of non-compensable amount, operation period of the Contract, as well as other factors having impact on the insurance risk.

19.3 The Insurance premium may be paid by the Insured in a lump sum (one-time payment) or in parts under the procedure fixed by the Contract.

19.4 The Insurance premium may be paid by the Insured in cash, to the cash desk of the Insurer, to the Insurance broker (agent) or may be transferred to the corresponding banking account of the Insurer.

If nothing else is determined by the Contract, then Insurance premium is considered paid on the date when

19.4.1 Insurer received cash from Insured or his assignee.

19.4.2 in case of non cash payments, the date when Insurer received premium on his balance

19.5 If the insured event had occurred before the payment of next Insurance premium, which had been delayed, then the Insurer shall have the right to offset the extent of the Insurance premium while determining the extent of the insurance premium subject to payment.

19.6 Where the Insured does not pay the lump sum or the first due Insurance premium within the period of 14 days following the day Contract has entered into force, then the Insured shall have the right to unilaterally terminate the Contract, unless other term or installment opportunity for Insurance premium payment prescribed by the Contract.

19.7 Where the Insured has not make the lump sum or the due Insurance premium payment under the procedure and within the terms fixed by the Contract, then the Insurer shall have the right to unilaterally terminate the Contract after 5 /five/ days following the term fixed for the Insurance premium payment. In this case the Insurance premium paid by the Insured for the Contract shall not be redeemed.

SECTION 20. INSURANCE TERRITORY

20.1 Property is considered insured only when being in the insurance territory. Insurance territory is considered the territory mentioned in the Contract. Meanwhile for different groups and risks different territories can be determined

20.2 Insurance territory mentioned in the Contract is considered the one,

20.2.1 on which Insured's property is situated; it can be a building, or open fenced surface for goods, etc.

20.2.2 construction territory for constructive or agriculture vehicles or other territory within the framework of exploitation

20.2.3 according to 9.2.3 subclause a route of the transport means, specifying at least two possible options for the route:

20.2.4 territory of the building for other movable estate

20.3 Property which is transferred from the insurance territory in case of insurance event or before unavoidable accident is also covered by insurance, as well as destroying or damaging while transferring.

20.4 By special agreement of the party's separate groups of property insurance can be determined (particularly of transferring property or other movable equipments) out of the building or land on which Insured's main property is situated. In this case, if not determined anything else by the Contract, insurance territory is considered the territory of Republic of Armenia and Republic of Nagorno Karabakh.

20.5 Insurance determined by 20.4 subclause doesn't cover risks of theft, other risks of external effects as well as any other risks of grabbing from transport means and other storages.

SECTION 21. RISK DEGREE CHANGE

21.1 During the Contract validity period Insured should immediately make Insurer informed about the circumstances or essential changings which can effect increase of insurance risk

21.2 In all cases the following are considered essential

21.2.1 economic activity changes in the insured territory

21.2.2 transferring insured property to lease

21.2.3 repair works which take place in the insured territory

21.2.4 stored product changing

21.2.5 insured property protection rules and methods changing

21.3 If Insured has't informed in time about these essential changings affirmed by the Terms, Insurer has right for premature termination of the Contract according to Conditions, and other legal acts as well as demand compensation concerning premature termination of Contract.

21.4 Insurer can demand changing of insurance conditions after being informed about the above mentioned cases of risk changing. If Insured refuse changing conditions by Insurer or paying additional Insurance sum to Insurer, the latter can make premature termination of the Contract according to the Terms and other legal acts.

21.5 Insurer can't terminate Contract earlier if risk rising danger has been passed.

21.6 In case of burglary, robbery or brigandage risk degree rises if after losing the keys the locks haven't been changed for security reasons.

SECTION 22. SECURITY REULES

22.1 Insured must

22.1.1 Keep all the necessary norms for security reasons as well as norms that are written in Contract. Deviation from rules is allowed if latters have been affirmed by state control bodies.

22.1.2 Keep insured property in good working condition, especially devices which are conncted with water distribution, heating and sewage systems, vehicles, roofs and devices set from the external side og the buildings. Immediately repair them in case of being damaged.

22.1.3 Keep data of the producer by norms affirmed by the latter

22.1.4 In case of other natural disasters

a) keep water pipes free

b) to store property which is kept lower from the soil surface not less than 12sm high from the ground or height agreed by Insurer

22.1.5 In case of water distribution, heating or sewerage systems' damages

a) visit closed or unused territories and keep them free from water (drain water cans, etc.)

b) on cold weathers take measures to heat all the territory if needed, to release from water if such equipments exist

c) to store property which is kept lower from the soil surface not less than 12sm high from the ground or height agreed by Insurer

22.1.6 During non-working hours keep the entrance doors or other holes closed in case of theft or burglary

22.2 The means declared for saving by the Insured should be

22.2.1 kept with necessary fire extinguishing means, which must be checked and set in normal condition

22.2.2 all day protection of the insured territory (24/7 period)

22.2.3 fire alarm systems in working condition

22.3 In case of not keeping the security rules which can cause insurance indemnity demand towards Insurer, the case isn't considred an insurance event and Insured's damages can be not compensated.

22.4 In case of storage goods insurance Insured should make inventory of goods and introduce necessary data in case of insurance event in storage, otherwise Insurer can refuse making insurance indemnity.

SECTION 23. OBLIGATIONS OF CONTRACTUAL PARTIES IN CASE OF INSURANCE EVENT

23.1 In case of insurance event or any accident that can cause an insurance event, the Insured /Beneficiary/ must inform Insurer about it by any means by telephone numbers mentioned in the Contract, and in any cases not later than in 3 /three/ working days in written form Insurer must be informed about it

23.2 If Insured hasn't informed Insurer about insurance event (mentioned in 23.1 subclause), then Insurer has right not to pay insurance indemnity (by Civil Code, article 1017, 2nd part) if it isn't proved that Insurer has known about the upcoming insurance event or if the absence of information doesn't release of duties to pay indemnity.

23.3 After being informed about any accident that can cause Insured (or Beneficiary) applying Insurer, insured must

23.3.1 take measures of avoiding or decreasing damage

23.3.2 immediately inform competent bodies (Police, Fire brigade) about the accident, particularly theft, burglary, deliberate destruction of property by any other third person, etc. and receive certificate about informing.

23.3.3 before certain competent bodies reach the place of accident, Insured must collect clear primary data about the reasons and circumstances of the accident (for instance-witnesses), confirm the accident by photos or video and voice recordings as much as possible and pass it to Insurer for further establishment of damage amount and its reasons

23.3.4 save damaged property in unchanging condition and introduce it to the Insurer agent for exploring, examining and making an act except the cases when property condition changing is necessary for security reasons or when agreement has been reached with Insurer about it, also after 7 days of informing Insurer.

23.3.5 give Insurer opportunity to examine damaged property as well as explore the reasons.

23.3.6 Introduce application in the type which Insurer has been affirmed for insurance indemnity - mentioning known reasons, damage description, supposing amount of damage, also provide necessary documentation demanded by Insurer

23.3.7 do other duties according to Terms and Conditions, or other legal acts.

23.4 To confirm damage reasons and considering these damages an insurance event Insured must introduce the following documents

23.4.1 In case of fire and damages caused by it-certificate of confirming /refusing criminal case of fire

23.4.2 Damages caused by natural disasters or lightning-certificate from meteorological center about description, date of the natural disaster (in case of thunder information about wind speed, etc.)

23.4.3 In case of damages caused by water distribution, heating or sewerage system

- act from water exploiting system companies which will describe desepair or faults of such systems
- certificate from the building exploiting agency if the building is inhabited.

23.4.4 In case of damages caused by explosion

- from certain bodies which deal with mountain or gas distribution systems certificates of technical faults, people to blame in wrong exploitation
- certificate from the building exploiting agency if the building is inhabited

23.4.5 In case of theft, burglary, deliberate actions of third person

- copy of the application from the Police station with the request of examining the criminal case
- copy of decision (or refuse) on the criminal case
- copy of the contract with the security system which has to deal with the safety of the building or property.
- in the presence of signal system-documents of its recordings
- other documents of security system

23.4.6 In case of accident of transport means

- appropriate decision of Road police or other body which is exploring the case
- copy of documents which Insured possesses about the company or physical body whose transport means was present at the accident.

23.5 In all cases Insured must introduce internal serving documents (that is- any act, application, report) which directly or indirectly are connected with the examining damages.

23.6 In all cases when prosecutors, or other legal bodies are concerned with the accident, Insured must introduce copy of the decision of criminal case or its' refusal.

23.7 Insured must introduce documents affirming and justifying the damage amount, based on which insurance sum will be calculated depending on the type of insurance accident. Such documents are

23.7.1 list of damaged, destroyed or lost property

23.7.2 documents affirming the value of damaged property at the moment of insurance event.

23.7.2 inventory acts of property, which have been made close to the date of insurance event

23.7.4 documents of storage if needed

23.7.5 balance of repair works

23.7.6 other documents which reveal the damage of property

23.8 Insured (Beneficiary) must introduce the documents to Insurer within 3 /three/ months from applying by written application

23.9 In case of not introducing the documents within the mentioned period or not introducing a form of postponing the three-months period, Insurer has right to refuse implementation of insurance indemnity after 10 working days of the period mentioned above.

23.10 If Insured applies written mediation about obstacles of introducing the documents, the mentioned period can be postponed by Insurer for 6 months' time. Otherwise the previous point is considered prevailing.

SECTION 24. DAMAGE APPRAISAL AND INSURANCE INDEMNITY PAYMENT ORDER

24.1 Insurance indemnity amount can't prevail Insured's damage as the result of insurance accident. Insurance indemnity can't prevail insurance sum amount fixed in the Insurance Contract.

For Separate units of insured property for which insurance sum or sub-sum is determined, insurance indemnity is limited within the following insurance sum and sub-sum.

24.2 In case of partial damage of insured property, the expenses are compensated which are necessary for the recovery of the situation of the property right before the accident (recovery expenses)

24.2.1. Within the framework of Conditions recovery expenses are understood as

- necessary expenses for repairing material
- necessary expenses for those material which should be transferred to the repairing place
- expenses for repair work payments

Moreover, recovery expenses must be lessened by the depreciation of property at the moment of insurance accident happening.

24.2.2 Following rules are used when calculating the recovery expenses

- the same material (of the same type, quality) should be used as have been used in the damaged property for its recovery
- buildings' repair expenses are compensated lessening the amount of damaged building's constructive units' expenses which were deinstalled but are useful for further usage
- repair expenses are compensated by the medium tariffs which are actual while repair works are taking place.
- If Insured has initiated the repair works, then expenses are compensated by minimum prices
- Only those expenses which are necessary for the elimination of the consequences of insured event damage compensation are included in the calculations. Additional expenses concerning the urgency, insured property changing (project or constructive changing), planned repair are not compensated.
- primary repair expenses are compensated only in case when primary repair is considered a part of the final repair and if overall expenses won't rise by primary repair
- when damaged constructive parts must be destroyed, then unaffected constructive units (roofs, etc.) should be rebuilt, such expenses are included in repair costs

- if temporary cementation is necessary for separate parts of the building, the material for such works is also included in repair expenses
- additional expenses concerning additional works payments, material, equipment parts and transfer by express delivery or air transportation are not compensated.

24.3 In case of overall destruction of insured property insurance indemnity is calculated by real value of property at the moment of insurance event excluding value of remnants which can be sold or re-used further. Insured is not eligible to refuse such remnants.

24.4 In Terms overall destruction is understood as loss of insured property, damage or destruction, technical impossibility of its recovery or such situation when necessary expenses for recovery exceed its real value at the moment of insured event

24.5 Value of saved property (goods that can be used) is determined on the basis of the sold remnants' price in this territory.

24.6 Detrition degree is measured by expert assessment. If insured value has been determined by the carrying value, so detrition degree of property's units are considered equal to detrition degree mentioned in accounting records

24.7 If insured sum is affirmed by AMD denominated by foreign currency, insurance indemnity is calculated by exchange rate (declared by CB of Armenia) at the moment of the day of the case settlement.

24.8 Insurance indemnity decreases by the amount of Insured's unpaid insurance premium

24.9 If third person has compensated damages of Insured, Insurer pays only the difference of Insurance sum affirmed in the Contract and sum that the third person has paid.

In such cases Insured should immediately inform Insurer about such sum.

24.10 Insured must immediately inform Insurer about the destroyed property that has been found out in the result of Insurance event.

24.11 Concerning the duties of expenses for saving the properties, if they are equal the value of saved property, are compensated by Insurer, even if these expenses haven't been effective (15.1 subclause of the Terms). In this case compensated sum may also exceed insurance sum.

24.12 Cleaning, destruction, transferring, security expenses (15.2.1) subclauses of the Terms) are compensated by the proportional of insurance value and insurance sum

24.13 All the insurance expenses mentioned on 15.2 section are compensated based on the fact of accomplished expenses.

24.14 Insurer gets rid of such expenses which have occurred in the result of Insured 's decreasing possible loss

24.15 Insurance indemnity is paid to Beneficiary on favor whom Contract has been made.

24.16 Refuse of insurance indemnity can be based on

24.16.1 deliberate illegal actions which are qualified by Court documents promoting insurance event by Insured or Beneficiary

24.16.2 delivering deliberate and not certain information about insurance object except the cases when such information is not essential for estimating insurance risks

24.16.3 other cases confirmed by legal acts, Terms or Contract

24.17 Insurance indemnity implementation can be postponed if

- there are reasonable grounds to believe that the Insurer has the right to receive insurance indemnity. In that case, the insurance indemnity is not paid until the necessary evidence is presented (the evidence referred to in paragraphs 23.4 - 23.7 of the Conditions,
- criminal proceedings have been initiated on Insured, his/her assignee or Beneficiary concerning the insurance event, as well as by Law, other legal acts, Terms and Contract.

24.18 Insurer must make decision on implementation or refuse of insurance indemnity in 20 /twenty/ days after receiving all necessary documents mentioned in Terms.

24.19 The Insurer shall provide to the Insured (Beneficiary) an electronic version or postal service within maximum 3 (three) business days after the conclusion (decision) on the provision of insurance compensation at the request of the Insured (Beneficiary).

24.20 After making decision on implemtnation of insurance indemnity Insurer must pay lump sum for insurance indemnity within 5 /five/ days if other dates have not been agreed with Insured.

24.21 In case of reimbursement of insurance compensation or refusal to compensate, the Insurer shall make a reasoned decision which shall be delivered to the Insured at a permanent residence or activity address within 5 /five/ days.

SECTION 25. EXAMINATION PROCESS, DAMAGE APPRAISAL ORDER

25.1 Insurer or assignee can make accident certificate. For this reason they can collect additional data (connected with the insured event) from law enforcement bodies, state administration bodies or other bodies who possess information

25.2 After the accident, Insurer can apply to independent experts to reveal reasons of accident and make clear the damage amount as well as substantiate the amount of insurance indemnity on their conclusions.

25.3 If needed, Insurer can apply to administrative bodies, companies or people who possess information about insured event

25.4 Insurer has right to explore and reveal circumstances and reasons of insured event

25.5 Insured also has right to assign an expert-surveyer to reveal the reasons and damage amount of the accident

25.6 Each of the Contract parties bears the costs of expert-surveyer assigns by him.

25.7 In case when parties involve a mediator for dispute settlement, expenses connected with it should equally be distributed between them.

SECTION 26. NON-COMPENSABLE SUM (FRANCHISE)

26.1 Non –compensable Sum may be fixed in the Contract, which is the extent of the participation of the Insured in the damage compensation (damage recovery), which shall be fixed by the Contract, as interest with respect to specific amount or Sum Insured.

26.2 The Contract may lay down conventional or non-conventional non-compensable sum

26.3 In case when the conventional non-compensable sum is fixed in the Contract, the Insurer shall be exempted from the liability to compensate actual damages or loss, if the extent of that damage does not exceed the rate of the non-compensable sum, stated by the Contract, and shall be obliged to pay the insurance indemnity fully, if the extent thereof exceeds the rate of the non-compensable sum

26.4 In case when the non-conventional non-compensable sum is fixed in the Contract, the Insurer shall be exempted from making compensation in line with the non-conventional non-compensable sum irrespective of the extent of the damage or the loss.

SECTION 27. DUAL INSURANCE

27.1 Insured must inform Insurer in written form about all the property insurance contracts signed with the other Insurers. At the same time, Insured must mention names of other insurance companies, property insured by them, insured risks and insured sum

27.2 In accordance with the Terms, in case when there is other insurance certificate while insurance indemnity demand and which compensates the same loss, damage or responsibility, Insurer doesn't have to make more indemnity than each loss, damage or expense proportionately.

SECTION 28. NON COMPREHENSIVE (PARTIAL) INSURANCE

28.1 When insured event happened and it turned out that insured sum is less than insured value, Insurer makes Insured partial indemnity of his/her damage in proportion to the ratio of Insured sum and Insured value on the insured event date.

28.2 If it is directly mentioned in the Contract, separate property and (or) expenses can be insured by “first risk” condition. In this case damage in proportion to the ratio of Insured sum and Insured value on the insured event date is not taken into account.

Section 29. CONVEYING RIGHTS DETERMINED BY INSURANCE CONTRACT TO OTHER PERSON

29.1 In case of conveying rights determined by Insurance contract to other person, rights and obligations are conveyed to the person who possesses rights of property, except cases of changing the possessor because of confiscation of property prescribed by law

29.2 The person who has passed the rights to the insured property shall be obliged to represent the Insurer within 30 (thirty) days after the date of acquisition of the rights to the insured property in order to make appropriate changes to the Contract. If no change is made in the Contract within 30 (thirty) days after the date of transfer of the rights to the property, the obligations of the Insurer, the Agreement and these Terms shall cease. Within 30 (thirty) days after the date of acquisition of the rights to the property, the new owner shall be deemed to be the Beneficiary, unless the Contract provides otherwise.

28.3 If only a part of insured property is transferred (sold) which is not created as a separate object for insurance reasons, insurance affirmed by the Contract doesn't concern these objects

28.4 In case of risk rising of insured event while transferring the insured objects the global provisions of Terms are used.

Section 30. RIGHT TO REQUIRE THE INDEMNITY BACK –SUBROGATION

30.1 In case of the occurrence of an insured event the claim right of the Insured /Beneficiary/ stem from the damage inflicted on her/him with respect to the person inflicted the damage shall transfer to the Insurer, unless otherwise prescribed by the Contract. The term of the Contract precluding the transfer of the claim right to the Insurer in respect with the person deliberately inflicted damage shall be considered as void

30.2 The Insured (Beneficiary, Authorized Possessor) shall be obliged to transfer all the documents and evidences to the Insurer as well as provide all the information known to him/her which are necessary for the Insurer to pursue subrogation.

30.3 Where the Insured had refused his/her claim right with respect to the person responsible for indemnified or compensable damages by the Insurer or the exercise of that right has become impossible because of the fault of the Insured /Beneficiary, Authorized Possessor/, then the Insurer shall be fully or to relevant extent exempted from the obligation of making insurance indemnity, and in case of the insurance indemnity already paid to the Insurer shall have the right to demand from the Insured (Beneficiary) to redeem the insurance indemnity paid additionally.

Section 31. ORDER OF DISPUTE SETTLEMENT

31.1 All the disputes arising within the operation period of the Contract shall be settled through negotiations between Parties. In case of not reaching an agreement through negotiations the disputes may be settled by court order in accordance with the Law or other legal acts.

31.2 In cases of dispute arising provisions of Contract prevail provisions of Terms

31.3 In cases of dispute arising, the issues remained unsettled shall be regulated by the order of the Legislation of the Republic of Armenia.