

## “COMFORT FOR HOME” PROPERTY INSURANCE

“Comfort for Home” Insurance by DZI-General Insurance JSC offers comprehensive protection for your home, property and household. This product is suitable for both owners and tenants or users of residential properties.

Depending on your individual needs, you can insure your home against individual risks or risk groups, provide insurance cover in respect of your liability for damages caused to third parties, as well as against Accident for yourself and for the members of your household. Risks are combined in bundles for your convenience. To each package you can add coverage against additional risks such as Earthquake, Burglary and Theft committed by using technical means, Robbery, as well as other risks provided for in the General Terms and Conditions.

The insurance is concluded based on replacement cost (i.e. the value of the property as new). Our maximum liability for each individual property or group of properties will be up to the sum insured specified by you and recorded in the insurance policy. You can choose whether to insure your property up to a specified limit (i.e. insurance under the condition “first risk”). Insurance premium will be calculated on this basis and will depend on the type of the insured property, its location, the selected covered risks, the insurance period and the insurance risk. The defined premium will be paid according to your choice - in a single payment or in deferred premium instalment payments.

Upon the occurrence of an insured event during the term of your insurance contract, we will pay out the insurance indemnity within 15 working days following the presentation of all the required documents. The insurance indemnity will be paid to you if you are the owner of the damaged property; to the owner of the property if you have concluded the insurance contract for somebody else's property or to a third party beneficiary specified in the policy. Insurance compensation for a specific insurance claim or payment can be paid out to another person on the basis of a written power of attorney with notarised signatures.

These General Terms and Conditions are an integral part of the insurance contract. They determine the insurance coverage, the exclusions, the conditions for conclusion, modification and termination of the contract, and the rights and obligations of the parties thereto. The specific parameters of the agreement will be described in the insurance policy.

If you need to consult our specialists or upon the occurrence of an insured event, you can contact us through our 24-hour Contact Centre at telephone number: 0700 16 166 or by email: [clients@dzi.bg](mailto:clients@dzi.bg), as well as file a claim online at <http://portal.claim.bg/dzi/property> or at any one of our structural units.

### Pre-contractual information in accordance with the requirements of the Insurance Code

DZI – General Insurance JSC is an insurer established in the Republic of Bulgaria, with registered office at: 1463 Sofia, 89B Vitosha Blvd.

Users of insurance services may file complaints in relation to claims for payment of insurance indemnities at any territorial unit of the insurer (Head Office, head agency, agency, office) in writing or by e-mail to: [clients@dzi.bg](mailto:clients@dzi.bg). The rules of DZI – General Insurance JSC for settlement of claims under Article 104, paragraph 1 of the Insurance Code are published on the corporate website of the company: [www.dzi.bg](http://www.dzi.bg), in section “Help in case of a claim”.

Users of insurance services may file complaints in relation to insurance activities to the Financial Supervision Commission and/or other competent state authorities.

On the territory of the Republic of Bulgaria, disputes relating to the provision of insurance services may be considered extrajudicially in alternative dispute resolution /ADR/ proceedings before the Conciliation Committee for disputes in the sector of insurance within the Commission for Consumer Protection or through mediation.

The Solvency and Financial Condition Report /SFCR/ of DZI – General Insurance JSC is published on the corporate website of the company: [www.dzi.bg](http://www.dzi.bg), in section “Corporate Sustainability”.

In the sales of insurance products the remuneration for the distributors is paid by DZI – General Insurance JSC as follows:

- Labour employment remuneration under the Labour Code for employees of the insurer carrying out direct sales;
- Commission remuneration for insurance intermediaries.

Regardless of the nature of the remuneration, the same does not change the amount of the insurance premium payable by the user.

Prior to purchasing an insurance product from the insurer or from an intermediary acting on the assignment of the insurer, the user may request an individual offer whereby to be provided with advice within the meaning of Article 324, paragraph 1, item 7 of the Insurance Code.

The law applicable to insurance contracts concluded under these General Terms and Conditions, is the Bulgarian law.

# **GENERAL TERMS AND CONDITIONS OF “COMFORT FOR HOME” PROPERTY INSURANCE**

## **PART A. GENERAL PROVISIONS**

### **I. SUBJECT OF INSURANCE**

Pursuant to these General Terms and Conditions DZI – General Insurance JSC, hereinafter referred to as “the INSURER”, shall provide, in consideration of a paid premium, insurance protection of proprietary rights of Bulgarian and foreign legal and natural persons, hereinafter referred to as “the INSURED”, upon the occurrence of the risks referred to in these General Terms and Conditions and specifically recorded in the insurance contract (Clauses).

### **II. OBJECT OF INSURANCE**

Pursuant to these General Terms and Conditions subject to insurance is:

2.1. Immovable property put into operation in accordance with the procedure established by law, including:

2.1.1. residential buildings with a solid or semi-solid structure – flats, houses and villas.

An integral part of the buildings are:

a) bases, supporting columns, shear walls, walls and other elements of the supporting structure, floors, terraces, including glazed terraces, terrace roofs, loggias, internal and external doors, staircases and windows;

b) permanently installed wall and ceiling insulation, cladding, flooring, fixed space dividers, exterior shutters and bars;

c) building installations together with the adjoining measuring equipment and devices - electric, telecommunications, water supply, sewerage, ventilation, heating, air conditioning, gas, fire alarm, fire extinguishing, alarm, video surveillance systems.

End devices designed to connect to these installations are insured as household property;

a) basements and attics adjoining the immovable property under item 2.1.1.;

б) garages as part of buildings under item 2.1.1.

2.1.1. Garages as a separate building.

2.1.2. Fences adjoining the immovable property.

2.1.3. Outdoor pools (including their roof elements and facilities where available) designed, built and equipped in accordance with established methods and technologies and in compliance with regulatory requirements.

2.2. Improvements to buildings - components, parts and equipment of the immovable property under item 2.1.1, performed before or after their putting into operation and leading to improvement of their functional qualities, respectively - to an increase in value and which cannot be separated from the main building without seriously damaging it.

2.2.1. The improvements also include indoor swimming-pools, hydro-massage baths and saunas; dry fire-places, with water or air jacket that are in-built/with laid bricks; shadow shelters and tents.

2.3. Movable property:

2.3.1. Household property as a totality of objects serving for daily and normal domestic use (such as furniture, lighting, household electric appliances, air conditioners, fireplaces - dry, with water or air jacket that do not require built-in inserts, consumer electronics and compact tools for personal use);

2.3.2. Solar collectors permanently fixed to insured buildings under item 2.1.1.

2.4. Somebody else’s properties shall be insured if these are held or used by the INSURED/INSURING PARTY on legal grounds.

### **III. TERRITORIAL SCOPE. ADDRESS OF THE INSURED PROPERTY. INSURANCE COVERAGE**

3.1. Insurance of property is valid for the territory of the Republic of Bulgaria, at the address specified in the insurance contract unless otherwise specified.

3.2. Movable property is considered to be insured when it is located indoors except if it is intended by the manufacturer for outdoor operation and is permanently attached to a building or its adjoining terrain.

3.3. Covered under these General Terms and Conditions is total loss of or partial damage to the insured property occurring during the term of insurance/insurance period as a result of an unforeseeable and sudden manifestation of a risk covered by the insurance contract.

3.4. The insurance coverage represents a combination (package) of risks covered under the General Terms and Conditions - Clauses, and recorded in the insurance contract.

3.4.1. Basic coverage:

The insurance is concluded with the mandatory presence of Clause A “Fire+”, providing insurance protection against fire, lightning, explosion, implosion, collision or impact with a manned aircraft, its parts or cargo.

The basic coverage includes Online Protection Clause providing insurance protection against the risks of identity theft, harm to online reputation, dispute related to the purchase of a product from an online retailer, provided that the clause is specified in the insurance policy or another written act.

#### 3.4.2. Optional risks/Clauses

- Clause A1 – “Malicious acts” (malicious acts of third parties, vandalism);
- Clause B – “Natural disasters” (storm, hail, torrential rain, flood, load from natural accumulation of snow and/or ice, frostbite/freezing);
- Clause D1 – “Earthquake”;
- Clause D2 – “Leakage of water”;
- Clause D5 – “Landslide of Earth layers” (landslide or collapse of Earth layers and/or action of groundwater);
- Clause D6 – “Action of sea waves”;
- Clause D7 – “Impact with a vehicle” (impact with a vehicle and/ or animal, accident with loading and unloading machinery);
- Clause D9 – “Glass breakage”;
- Clause D14 – “Shock/sound wave”;
- Clause D15 – “Short circuit” (short circuit and/or electrical shock);
- Clause D16 – “Costs for temporary accommodation”;
- Clause D17 – “Loss of rental income”;
- Clause D18 – “Damage to portable electronic equipment” (damages that occurred at another address);
- Clause “TPL” – “Third party liability”;
- Clause “SOS for Home”;
- Clause “Accident”.

3.5. Clause “KGT” – burglary, robbery and theft committed by using technical means or in a special way).

3.6. Subject to compensation up to the limit agreed in the insurance contract also are:

3.6.1. Other expenses” (OE) necessary for: limitation of damages in relation to the occurred insured event, where the INSURED/INSURING PARTY has acted with due care; elimination of damages caused by unlawful breaking and entry or the intent on doing so; clearing of debris and remains, removing the consequences of an occurred insured event; relocation, protection and preservation of the insured property; administrative costs for re-issuing/making a duplicate of documents, drawings damaged and/or destroyed by an insured event;

3.6.2. Costs for replacement of external locks in case of stolen/lost key.

3.7. On the grounds of explicit agreement in writing the scope of the insurance protection under the General Terms and Conditions could be extended in order to provide additional insurance cover under the Special Terms and Conditions. The Special terms and conditions are recorded in the insurance contract or an annex to it.

#### IV. GENERAL EXCLUSIONS

4.1. The INSURER shall not owe compensation upon the occurrence of direct and/or indirect damages resulting from:

4.1.1. war, hostile invasion, hostile actions, hostilities – whether war is declared or not, military exercises and manoeuvres, civil war, military or illegal seizure of state power, sabotage or acts of persons (saboteurs) at the orders of or in relation to political organisations, conspiracy, confiscation, forced expropriation, eviction, destruction or damage of property by order of a governmental authority;

4.1.2. riots, disturbances, coups, unrest, revolutions, uprisings, mutinies, strikes, lockout, civil and street commotion;

4.1.3. terrorism – excluded are any losses, damages and expenses of any nature caused directly or indirectly by, as a result of or in connection with an act of terrorism, regardless of whatever reason or event, that simultaneously or consequently has contributed to the loss, as well as damages as a result of action undertaken for control, prevention or prohibition of an act of terrorism.

4.1.4. nuclear risks, material damages related thereto, costs and/or liabilities of any kind, directly or indirectly caused by nuclear products and/or nuclear explosions and fission, radiation and radioactive contamination;

4.1.5. risks related to environmental pollution;

4.1.6. loss of profit, impairment, compensation for wasted time, as well as sanctions imposed by the competent authorities, any type of fines, penalties and contractual sanctions, financial losses;

4.1.7. constructive and building fault; construction or repair activities that take place at the insured site, including as a result of repair works of poor quality, internal architectural and construction changes, including the ones related to the electric installation, water-conduit, sewerage system, sprinkler installation, the ones performed in violation of the construction-technical norms and requirements and/or by persons without the necessary capacity; damages that occurred during the warranty term in the case of newly purchased property or after repairs, except for the damages not covered under the warranty terms and conditions yet covered under the present General Terms and Conditions;

4.1.8. unrepaired damages from events occurring:

a) prior to the conclusion of the insurance;

b) during the term of the insurance for which there is another claim;

- 4.1.9. increase of the amount of damage or new damages occurring as a result of unrepaired damages from events taking place before or during the term of the insurance;
- 4.1.10. incorrect or derelict storage and operation of the property; operation of the property without appropriate qualification, in violation of established technologies and standards, requirements and/or prescriptions issued by the manufacturer, the competent authority or the INSURER;
- 4.1.11. the action of explosive, highly flammable, corrosive materials placed near the insured properties and non-compliant with accepted storage standards, or as a consequence of the storage of substances incompatible by their chemical composition;
- 4.1.12. intentional actions or gross negligence of the INSURED/ the INSURING PARTY, his/her related parties, third beneficiaries, as well as persons admitted to the insured property with the knowledge or consent of the abovementioned persons;
- 4.1.13. fraud or attempted fraud, pretended insured event;
- 4.1.14. influence of natural climatic conditions, moisture, condensation, mould, fermentation, dampness, auto ignition, evaporation, loss of weight, natural waste, change in colour, corrosion, factory or hidden defect, parts wear and tear, amortisation, rupture, breakage or machinery breakdown, mechanical interference, use of inappropriate materials, poor performance, designer's error, incorrect and/or inappropriate maintenance, damages caused by machines or technological equipment during testing after repair or upon commissioning, as well as such caused by animals, birds, rodents;
- 4.1.15. wreck of electric and domestic devices. The insurer covers the damages suffered as a result of the wreck onto other insured property according to the risks put down in the policy for the particular damaged property;
- 4.1.16. damages to and reduction of functionality of hardware and software, as well as loss of software, information and data due to computer viruses, hacker attacks or directly or indirectly resulting from cyber risks;
- 4.1.17. events occurring in uninhabited or unused premises – such left without supervision or security for more than 30 consecutive days except residential properties, located in apartment complexes under the supervision and/or security of firms managing them under a contract.

4.2. Pursuant to these General Terms and Conditions shall not be subject to insurance:

- 4.2.1. any type of documents, manuscripts, securities, cash, lottery and travel tickets, cheques, photographs, precious metals (platinum, gold, silver), precious stones, pearls and objects made there from; objects of historical, philatelic, numismatic and artistic value, antiquities; books; expensive furs and leather products; samples, specimens, prototypes, exhibits;
- 4.2.2. mural paintings, wrist and pocket watches;
- 4.2.3. land, animals, plants and perennials;
- 4.2.4. water supply and sewerage networks, electrical and telecommunication installations, pavements, unless these are not ownership of the Insured and do not belong to a building of massive or semi-massive construction that is subject matter of insurance under the insurance contract;
- 4.2.5. buildings with a frame-built structure, including wooden wagons, caravans, tents;
- 4.2.6. objects with production and business purpose, farm buildings, craft machinery and tools intended for carrying out economic activity, goods, materials, agricultural produce;
- 4.2.7. motor vehicles and trailers that have been registered for traffic onto the roads, ATV, other vehicles including bicycles, motor and motor-less boats, together with their belongings;
- 4.2.8. objects on/in water;
- 4.2.9. objects that are not regularly commissioned, that are in the stage of construction, installation or under repair;
- 4.2.10. movable property stored in basements, attics, garages;
- 4.2.11. intellectual property products;
- 4.2.12. weapons, ammunitions, explosives, radioactive and isotope materials, narcotic substances and opiates, and any kind of substances prohibited by law.

4.3. The Insurer does not provide insurance cover, does not pay insurance indemnity and does not provide whatever other benefit under the present General terms and conditions to persons that violate to whatever degree the passed and applicable norms for commercial and economic sanctions of the United Nations and/or the European Union and/or the European Economic Area and/or the United Kingdom and/or the USA and/or other enforceable national economic or commercial laws or ordinances.

## V. CONCLUSION OF THE INSURANCE

5.1. The insurance contract is concluded on the basis of a Proposal-Questionnaire completed and signed by the candidate for insurance on a form of the INSURER.

5.2. Before the conclusion of the insurance contract, the applicant for insurance is obliged to answer in writing the questions asked by the INSURER in the Proposal-Questionnaire and in other additional documents. Answers to these questions should contain all circumstances of which he/she is aware and that are of material importance to the assessment of the risk and the conditions under which the insurance will be concluded.

5.3. The INSURER shall have the right to perform an inspection and risk assessment of the property which is the subject of insurance.

5.4. The insurance contract is concluded in writing in the form of an insurance policy or other written act. The Proposal-Questionnaire for conclusion of the insurance, the General Terms and Conditions of the insurance, any endorsements/annexes issued thereto, and all other written documents endorsed and signed by the parties, and the documents for paid premium will be an integral part of the insurance contract.

5.5. After the conclusion of the insurance contract, the INSURING PARTY is obliged to notify the INSURER immediately after becoming aware of any changes in the circumstances which he/she has declared that have occurred during the operation of the contract or about which he/she has become aware of during the term of the contract, as well as about any circumstances leading to an increase in risk, even if they have occurred without his/her consent and participation, including:

5.5.1. any changes in the intended use of the property;

5.5.2. any change of the address of the insured property specified in the contract;

5.5.3. stolen or lost key to the site or repository (safe, strong-box) where the insured property is located, and immediately replace the locking mechanisms and/or devices with equivalent ones.

5.6. In case of failure to meet the obligations under item 5.5., the INSURER can unilaterally terminate the contract or propose amendments to its terms and conditions, and upon the occurrence of an insured event, reduce the amount of insurance indemnity or completely refuse to pay compensation.

5.7. The INSURING PARTY is obliged to notify the INSURER about any change in his/her name, firm or company name, or address for correspondence as specified in the insurance contract or in any other documents supplied to the INSURER. If he/she does not fulfil this obligation or gives incorrect information, any written statement on behalf of the INSURER sent to the address of the INSURING PARTY last declared to the INSURER, shall be deemed to have been served and received by the INSURING PARTY with all the legal consequences provided by the law or the contract.

## **VI. START, END, DURATION, AMENDMENT AND TERMINATION OF THE INSURANCE CONTRACT**

6.1. The insurance contract is concluded for a fixed period specified in the insurance contract or for an indefinite period.

6.2. The insurance coverage enters into force on the date and time specified as start in the insurance contract and on condition that the full amount of premium due has been paid or the first premium instalment in the case of deferred payment of the premium, unless otherwise agreed.

6.3. Unless otherwise agreed in the insurance contract, the insurance period (the term for which the premium is determined) is 1 (one) year. For contracts concluded for a period longer than 12 months or for an indefinite period, the first insurance period starts from the date of commencement of the insurance coverage recorded in the policy. Each subsequent insurance period begins on the date following the expiration of the previous one.

6.4. The insurance contract may be amended by mutual consent of the parties. Amendments will be executed in an endorsement (annex), signed by both parties and will represent an integral part of the insurance contract.

6.5. The INSURER may propose an amendment of the contract upon learning that circumstances significant for the risk have occurred during the term of the contract or have been inaccurately declared or have been withheld upon the conclusion of the contract.

6.6. Newly purchased or newly acquired property during the effective term of the contract/insurance period could be insured and the sum insured could be increased with the value of the newly purchased/newly acquired property upon the request of the Insured/Insuring Party for additional premium. Otherwise the Insurer would not be held liable.

Newly purchased or acquired property that relates to an already insured group of property with a covenant against "First Risk" shall be deemed to be insured within the limit of the respective group of property recorded in the insurance contract, without the need for notification of the INSURER, the issuance of an annex or payment of additional premium.

6.7. The insurance contract will be terminated:

6.7.1. upon expiration of the period for which it is concluded;

6.7.2. in case the insurable interest subject of the contract ceases to exist - the INSURING PARTY/INSURED notifies the INSURER. Termination takes effect from the date on which the insurable interest has ceased to exist;

6.7.3. upon payment of compensation for total loss - insurance coverage is terminated for the property for which compensation has been paid, the insurance contract shall remain in force for the rest of the insured property/groups of properties;

6.7.4. in case of non-payment/incorrect payment, including in case of partial payment of a deferred instalment payment of the insurance premium, termination becomes effective upon the expiration of fifteen days from the maturity date, unless otherwise agreed in the insurance contract;

6.7.5. by either party by giving one month's written notice to the other party. The notice period runs from the date of its receipt;

a) for policies concluded for a period longer than 12 months or for an indefinite period, insurance may be terminated without any penalties or costs by the INSURED/INSURING PARTY or the INSURER at the end of the current insurance period with one month's written notice to the other party. Termination will take effect upon expiry of the insurance period.

6.7.6. by mutual agreement of the parties;

6.7.7. unilaterally by the INSURER if:

a) upon conclusion of the insurance the INSURING PARTY declared incorrectly or held back a circumstance about which the INSURER has asked a written question and in the presence of which circumstance the INSURER would not have entered into the contract had he known about it. The INSURER may exercise this right within a month of becoming aware of the circumstance;

b) after becoming aware of a circumstance inaccurately stated or withheld by the INSURING PARTY, it was notified by it about newly occurred or circumstances of which it became aware during the effective term of the contract, the Insurer proposed modification of the terms and conditions of the insurance contract, and it was not accepted by the Insuring party in two-week term as of receiving it.

6.8. In case of early termination of insurance under which:

6.8.1. no indemnities have been paid or are due, the INSURER shall keep part of the paid premium, which corresponds to the period for which it bore the risk that is calculated as follows:

a) in the case of unilateral request in writing on behalf of the Insuring party/Insured, the premium withheld by the Insurer should be calculated according to the Short-term tariff;

b) in the case of unilateral request in writing by the Insurer, the premium withheld by the Insurer should be calculated according to the Pro rata tariff;

6.8.2. the insurance premium is payable in instalments and indemnities have been paid or about to be paid, the unpaid premium until the end of the insurance period is due and payable by the Insured/Insuring party and/or could be deducted from the indemnity;

6.8.3. the insurance premium has been paid in a single payment and indemnities have been paid out or are to be paid out, the portion of premium for the unexpired period of insurance is not refundable.

## **VII. CHANGE OF OWNERSHIP**

7.1. If during the validity of the insurance contract there is transfer of ownership of the insured property, the new owner shall enter into the rights and obligations of the INSURED under the insurance contract.

7.2. The new or the old owner is obliged to notify the INSURER in writing within 7 days of the transfer of ownership.

7.3. The old and the new owner shall be jointly and severally liable for payment of the unpaid portion of the premium up to the date of the transfer of ownership.

7.4. The INSURER shall have the right to terminate the insurance contract with the new owner of the insured property with one month's written notice. The right of termination may be exercised by the INSURER within one month of becoming aware of the change in the right of ownership of the insured property.

7.5. The new owner has the right to terminate the insurance relationship immediately by informing the INSURER in writing about this. The right of termination may be exercised by the new owner within a month after the acquisition or if he/she was unaware of the existence of the insurance contract - after learning about it.

7.6. In case of termination of the insurance contract under items 7.4. and 7.5., the old owner shall be obliged to pay the premium payable until the date of termination.

7.7. In case of non-observance of the obligation under item 7.2., the INSURER shall not be obliged to pay insurance indemnity if an insured event occurs after the expiry of one month from the date of transfer of ownership and on condition that he would not have concluded the existing contract with the new owner due to a significant increase in the risk. The INSURER shall not be able to exercise his rights under this item if at the time of the occurrence of an insured event, he had been aware of the transfer of ownership or if the period set out item 7.4. had expired and the INSURER had not terminated the contract.

## **VIII. SUM INSURED. DEDUCTIBLE. INSURANCE PREMIUM.**

8.1. The sum insured is determined in Bulgarian Levs or in Euro for the term of the insurance contract or for a single insurance period for insurance contracts concluded for a period longer than 12 months or for an indefinite period.

8.2. The sum insured is specified by the INSURING PARTY and is recorded in the insurance contract. The sum insured cannot exceed the replacement cost value of the property and it determines the maximum liability of the INSURER for each insured property or for a group of properties.

8.3. Replacement cost value shall be considered to be the cost for recovery of the property or its replacement with a new one of the same type and quality, including all inherent costs for delivery, construction, assembly and others without applying depreciation.

8.4. The insurance can be concluded:

8.4.1. under the condition of "first risk" - upon the occurrence of an insured event, the INSURER compensates the full amount of the damage but not more than the sum insured/liability limit inscribed in the insurance contract.

The insurance amount under the contract shall be reduced by the amount of compensation paid. Upon the occurrence of subsequent events, the INSURER will pay the full amount of the claims until the sum insured/limit of liability is exhausted.

8.4.2. under the condition of "proportionate compensation" - taking into account the existence of underinsurance. If the agreed sum insured is lower than the replacement cost of the insured property, in case of occurrence of an insured event the INSURER determines the compensation due by multiplying the actual amount of the claim by the ratio between the sum insured recorded in the insurance contract and the replacement cost of the property.

8.5. In the case of over-insurance – the sum insured agreed is higher than the replacement cost of the insured property, upon the occurrence of an insured event, the INSURER determines the amount of the compensation due according to the replacement cost value of the damaged property and returns the part of the premium paid corresponding to the difference between the agreed sum insured and the replacement cost value, unless the insured has acted in bad faith.

8.6. Under Clauses "Online security", "Action of sea waves", "Glass breakage", "Shock/sound wave", "Costs for temporary accommodation", "Loss of income", "Portable electronic equipment", "Additional costs", "Third party liability", "SOS for home", "Theft" (KGT) and „Accident" agreed and recorded in the insurance contract are liability limits of the INSURER for each insured event and/or an aggregate amount for all events within the term of the insurance/insurance period.

8.7. Upon the conclusion of the insurance a deductible can be agreed per each claim as a fixed absolute value, a percentage or a combination of the two. The amount of the deductible agreed is recorded in the insurance contract and is deducted from the compensation amount.

8.8. The insurance premium is determined by the INSURER depending on the type of the insured property, the sum insured, respectively the liability limit, the combination of risks covered (Clauses), the insurance risk and the insurance period.

8.9. The insurance premium is determined for a period not exceeding one year (insurance period).

8.9.1. If the insurance is concluded for a period shorter than one year, the premium is calculated based on the short-term tariff of the INSURER.

8.9.2. Where the insurance is concluded for a period longer than 12 months or for an indefinite period, the premium is determined and payable for each insurance period.

8.10. The insurance premium is payable by the INSURING PARTY in full upon the conclusion of the insurance or in the case of deferred payment of the premium - the first premium instalment is to be paid upon the conclusion of the insurance, unless otherwise agreed. In case of deferred payment, the insurance premium instalment payments are to be paid within the time limits agreed in the insurance policy.

8.10.1. The premium that has been calculated according to the short-term tariff of the Insurer is payable as lump sum unless otherwise specified.

8.11. If the insurance is concluded with deferred payment of premium, in case of non-payment or incorrect payment of any deferred instalment within the agreed term, the INSURER may decrease the sum insured in accordance with the portion of unpaid premium, amend or terminate the contract.

8.12. The INSURER may exercise his rights under the previous item not earlier than 15 (fifteen) days from the date on which the INSURED/INSURING PARTY has received a written notice from the INSURER. The written notice shall be deemed to have been served also if the INSURER has explicitly specified in the insurance policy which of these rights will be exercised after the expiry of the 15 (fifteen)-day period from the maturity date of the deferred instalment payment.

8.13. If deferred payment of the insurance premium has been agreed, upon the occurrence of an insured event the INSURER may deduct the amount of outstanding premium from the amount of the insurance indemnity.

8.13.1. For insurance contracts concluded for an indefinite period, the INSURER may withhold the amount of the outstanding premium only for the relevant annual insurance period during which the claim occurred.

8.14. If it is agreed for the insurance coverage to commence from a date specified in the insurance contract preceding the date set for the payment of the insurance premium or the first instalment in case of deferred payment of the premium, the INSURER shall have the right to request the payment of the premium/premium instalment together with statutory interest from the day of the delay.

8.15. If during the term of the contract insurance risk increases or decreases significantly, either party may invite the other party to amend the insurance premium or terminate the contract.

## **IX. RELATIONS BETWEEN THE PARTIES. OBLIGATIONS OF THE INSURED/THE INSURING PARTY**

9.1. During the validity period of the insurance the INSURED/INSURING PARTY is obliged to:

9.1.1. maintain the insured property in good repair, use it in conformity with its purpose;

9.1.2. undertake measures to protect the insured property from damage, observe the prescriptions of the INSURER and the competent authorities for elimination of any sources of danger that may cause damage, and allow the INSURER to carry out inspections;

9.1.3. immediately notify the INSURER in the event that he/she also concludes an insurance contract for the property with another insurer, stating the risks against which the property has been insured, who are the other insurers he/she has concluded a contract of insurance with, and the insurance amounts under each one of those contracts.

9.2. In case the INSURED/INSURING PARTY fails to meet his/her obligations under item 9.1., the INSURER shall have the right to:

9.2.1. terminate the insurance if no insured event has occurred;

9.2.2. in case an insured event has occurred, decrease the insurance compensation corresponding to the seriousness of the failure;

9.2.3. refuse payment if the occurrence of the insured event is the result of non-performance of obligations of the INSURED/INSURING PARTY.

9.3. Obligations of the INSURED upon the occurrence of an insured event:

9.3.1. Immediately upon the occurrence or becoming aware of an insured event notify the competent authorities (Fire Safety and Protection of Population Service, Ministry of Interior and other legally specified bodies), and in case of theft and robbery, provide them an inventory/list of the missing property;

9.3.2. Within 3 (three) working days of becoming aware of, and in the case of theft and robbery - within 24 (twenty-four) hours - notify the INSURER in writing by filling in a Claim Notification Form;

a) when submitting a written claim notification to the INSURER, the INSURED should provide complete and accurate details of the bank account to which payments are to be made by the INSURER, unless the claim is for restitution in kind;

b) the person entitled to receive insurance indemnity shall notify the INSURER of any change in his/her bank account details before any payment of insurance compensation is made. Any change in the bank account details that has not been expressly notified in writing to the INSURER shall not be binding for the INSURER;

c) failure to provide bank account details shall have the consequences of delay of the creditor and the INSURER shall not owe interest on the insurance compensation.

9.3.3. Undertake the necessary actions to limit damages and follow the instructions of the INSURER;

9.3.4. Not change the condition of the damaged property without the written consent of the INSURER;

9.3.5. Provide the INSURER access to the damaged property for the purposes of performing an inspection;

9.3.6. Present to the INSURER any requested written information, data, documents and other evidence directly related to the establishment of the event and the amount of the damage;

9.3.7. Present proof of any actually incurred costs of performed recovery or replacement of the damaged property insured at replacement cost in the cases where a method is selected according to items 11.3.3. and 11.3.4;

9.3.8. To establish the event and the amount of damage the INSURED is obliged to present at the request of the INSURER:

a) official documents issued by the competent authorities (Fire Safety and Protection of Population Service, hydro meteorological service, seismological institute, the Ministry of Interior, investigating authorities, final report of police inspector, investigator or prosecutor in relation to initiated investigative proceedings, respectively, indictment against the established perpetrator of the crime, decree for suspension or termination of criminal proceedings pursuant to the terms and conditions of the Criminal Procedure Code, judgement on instituted criminal proceedings, body of pre-trial proceedings/court) and other statutorily stipulated documents, drawings, photographs, analyses, expert reports, protocols, reports, lists of missing property.

b) any additional documents and evidence that are not provided for in these General Terms and Conditions and in the insurance contract but which are important for clarification of the insured event and are requested in writing by the INSURER.

## **X. RELATIONS BETWEEN THE PARTIES. OBLIGATIONS OF THE INSURER**

10.1. Upon the occurrence of an insured event the INSURER is obliged to:

10.1.1. accept the written notification, any documents attached thereto, and register a file (claim);

10.1.2. register the date of each filed claim and register the date of any subsequent receipt of each document related to it, certify each of these circumstances separately or on an inventory list before the person filing the claim;

10.1.3. notify in writing the person who is entitled to receive insurance compensation about the necessary documents that should be presented in order to prove the claim by ground and amount;

10.1.4. pay out compensation to the INSURED/BENEFICIARY or inform him/her in writing about a reasoned refusal to pay out compensation within the period specified in item 11.10.



10.2. Upon receiving a complaint from the INSURED/BENEFICIARY against the determined indemnity amount or the refusal to pay insurance compensation, the INSURER is obliged within a 7-day period to present written factual and legal justification of his decision.

## **XI. INSURANCE INDEMNITY**

All the damages that occur because of one and the same reason within 72 /seventy-two/ hours would be perceived as one insured event.

11.1. Upon the occurrence of an insured event and the filing of a claim notification to the INSURER, the latter shall have the right to organise an inspection of the damaged property for the establishment, description and evaluation of the damages.

11.1.1. The inspection will be carried out by a representative of the INSURER and/or an external expert appointed by the INSURER, in the presence of the INSURED/his representative, allowing also the presence of the Beneficiary.

11.1.2. Expenses for the external expert are paid by the INSURER. If the INSURED or the BENEFICIARY disagrees with the evaluation made, he/she can use the services of an external expert at his/her own expense. In case of difference between the two evaluations and failure to reach an agreement, both parties shall appoint a third external expert – arbitrator, the costs for whom shall be shared equally. The conclusion of the independent external expert – arbitrator shall be final.

11.2. Upon the occurrence of an insured event, the INSURER is entitled to make an assessment to determine the replacement cost value of the insured/damaged property as at the date of the event in order to determine the existence of underinsurance or overinsurance.

11.3. Evaluation of claims is performed as of the date of occurrence of the insured event according to one of the following methods:

11.3.1. on the basis of price lists used by the INSURER with which the INSURED has the right to familiarise himself/herself;

11.3.2. on the basis of an expert valuation by an external expert;

11.3.3. on the basis of presented documentation for performed repairs using own resources and funds;

11.3.4. via assignment to an external contractor with the prior written approval by the INSURER of an offer proposed by the external contractor and subsequent acceptance of the performed works by experts of the INSURER.

11.4. The insurance indemnity is determined:

11.4.1. In cases where the insurance contract is concluded under the condition of “first risk”, the INSURER compensates the full amount of the claim, but not more than the sum insured/liability limit specified in the insurance contract.

The sum insured under the contract is reduced by the amount of the compensation paid. Upon occurrence of subsequent events, the INSURER pays the full amount of the claims until the sum insured/limit of liability is exhausted.

11.4.2. In cases where the insurance contract is concluded subject to “proportionate compensation” - depending on the ratio between the sum insured and the replacement cost of the lost or damaged property as of the date of the insured event by multiplying the actual amount of the claim by that ratio.

11.5. The compensation amount for one or for all events occurring during the term of the insurance/insurance period may not exceed the sum insured /the liability limit for the particular property, group of properties or interest as recorded in the insurance contract.

11.5.1. in case of partial claims, the claim amount is determined on the basis of the costs necessary for labour, materials and performance of repairs, i.e. for recovery of the property in the form and condition in which it had been as of the date of occurrence of the insured event;

a) in case of partial damage, the insured property shall be considered to be insured until expiry of the term of the insurance contract/insurance period, with a sum insured equal to the difference between the initial sum insured and the paid out insurance compensation, unless the insurance contract provides for additional insurance.

b) additional insurance is documented by the issuance of an annex to the insurance contract against the payment of additional premium determined in accordance with the effective tariff of the INSURER;

11.5.2. in case of total loss of the insured property, the compensation amount shall be equal to its replacement cost as of the date of occurrence of the insured event, but not more than the sum insured.

11.5.3 Regardless of the provision of item 11.5.2. above, solely in case of amendments in the legal framework that on the date of occurrence of the insured event requires the insured immovable property to meet new higher standards for energy efficiency, in the event of its complete destruction, the Insurer shall cover the additional costs that would arise as a result of compliance with the current standards based on the project designed for energy efficient standards. The additional costs for rebuilding the completely destroyed insured immovable property in accordance with the new standards shall be covered by the Insurer upon receiving the respective Energy Performance Certificate and cannot exceed 50% of its sum insured (for the contracts under item 11.4.1.) or of its replacement value (for the contracts under item 11.4.2.), i.e. in case of a complete destruction of the insured immovable property, the insurance indemnity cannot exceed 150% of its sum insured (for the contracts under item 11.4.1.) or of its replacement value (for the contracts under item 11.4.2.).

Criteria of determining the damage: If the standards/regulations or the competent authorities provide an opportunity to choose between more than one options for the construction of the real estate in accordance with the new standards, the

Insurer will cover additional costs in the lowest amount, allowing the achievement of the current standards. The final amount of the additional costs that the Insurer covers in order to comply with the new standards is determined after deducting the amount due under national or municipal programs for free financing or decisions to assist the owners of real estate.

11.6. Deducted from the insurance indemnity will be any sums received as compensation from third parties that caused and/or are responsible for the damages; the value of the remains (preserved parts and scrap); the deductible as specified in the insurance contract.

11.7. The INSURER will not owe compensation for any performed structural or design modifications, additions or improvements during the recovery of the damaged property.

11.8. If it is established that other insurances have also been concluded for the damaged property which cover the same risks, the INSURER will be liable for the part of the sum insured under this insurance with respect to the total sum insured of all the insurances, and the total amount of compensations under all the contracted insurances may not exceed the actual damages incurred.

11.9. The INSURER may refuse to pay compensation or decrease the insurance indemnity amount:

11.9.1. upon an insured event intentionally caused by the INSURED or by a party entitled to receive the insurance indemnity or by the INSURING PARTY, with the purpose of obtaining insurance compensation by another person;

11.9.2. upon failure of the INSURED/INSURING PARTY to fulfil an obligation under the insurance contract which is significant in view of the interest of the INSURER and which was provided for by law or the insurance contract and has led to the occurrence of the insured event;

11.9.3. upon failure of the INSURED to fulfil obligations under item 9.3., including cases where the default has been committed with the purpose of preventing the INSURER to establish the circumstances in which the event occurred or has made their establishment by the INSURER impossible;

11.9.4. in other instances provided for by law.

11.10. The INSURER pays out the insurance indemnity or sends a written notification of a reasoned refusal to pay such compensation within 15 working days from presentation of all the required documents and evidence.

11.11. With the consent of the INSURED, the INSURER may restore in kind the damages suffered by the INSURED.

11.12. The INSURER may participate in the rescue of insured properties by specifying the necessary measures to be taken to this end, by conducting negotiations and concluding agreements with third parties in connection with limitation of damages and recovery of the property.

11.13. Insurance compensation will be paid to:

11.13.1. the INSURED if he/she is the owner of the insured properties or to a person expressly authorised by the INSURED on the basis of a power of attorney certified by a notary. In cases where the INSURED specified in the insurance contract is not the owner of the insured property, the compensation is paid to the owner subject to compliance with the rules for insurance of someone else's property;

11.13.2. a third party beneficiary specified in the insurance contract or a person expressly authorised by him/her on the basis of a power of attorney certified by a notary;

11.13.3. in the cases under item 11.9.1. where a third party beneficiary has intentionally caused an insured event without the knowledge and participation of the INSURED or the other beneficiaries, the compensation is paid to the other beneficiaries and if there are no such beneficiaries - to the INSURED or his/her heirs. In the case of payment of insurance compensation under the first sentence, the INSURER shall assume the rights of the INSURED against the person who intentionally caused the insured event.

11.14. The determined insurance compensation is paid only by bank transfer.

11.15. For the settlement of claims under insurance contracts concluded on the basis of these General Terms and Conditions, applicable shall be the Internal Rules and the Technical Claim Liquidation Instructions adopted by the INSURER.

11.16. If after payment of insurance compensation under Clause "Theft" (KGT), the stolen insured property is found, the INSURED shall be obliged to transfer the right of ownership over it to the INSURER or to a person specified in writing by the INSURER.

11.16.1. if the INSURED wishes to keep the found property, he/she shall be obliged to return to the INSURER the received compensation and reimburse all other reasonable costs incurred by the INSURER in connection with the incurred claim.

## **XII. FAST TRACK**

12.1. "Fast track" is a digitalized simplified process for servicing insurance claims via Internet.

In the case of the "Fast track" process we do not need an inspection performed by Insurer's representative.

The "Fast track" process is designated for servicing the insurance claims in conformity with the following criteria:

12.1.1. the insurance property was a subject of insurance without termination under the insurance of property "Comfort for home" in the last 12 (twelve) months,

12.1.2. the expected amount of the indemnity due and payable by the Insurer does not exceed 1 000 (one thousand) BGN,

12.1.3. the claim was first during the effective term of the insurance contract/the current insurance period;

12.1.4. in the previous 12 (twelve) months the Insurer has not paid indemnities in relation to insured event caused by the same risk,

12.1.5. the insured event occurred as a result of risk covered under the following Clauses:

- a) Clause A1 – “Malicious acts” (malicious acts of third parties, vandalism);
- b) Clause B – “Natural disasters” (storm, hail, torrential rain, flood, load from natural accumulation of snow and/or ice, frostbite/freezing);
- c) Clause D2 – “Leakage of water”;
- d) Clause D7 – “Impact with a vehicle” (impact with a vehicle and/ or animal, accident with loading and unloading machinery);
- e) Clause D9 – “Glass breakage”;
- f) Clause D15 – “Short circuit” (short circuit and/or electrical shock);

12.2. “Fast track” is not applicable for claims related to or as a result of risks covered under the following Clauses:

12.2.1. Clause A “Fire+”;

12.2.2. Clause “Online security”;

12.2.3. Clause D1 – “Earthquake”;

12.2.4. Clause D5 – “Landslide of Earth layers” (landslide or collapse of Earth layers and/or action of groundwater);

12.2.5. Clause D6 – “Action of sea waves”;

12.2.6. Clause D14 – “Shock/sound wave”;

12.2.7. Clause D16 – “Costs for temporary accommodation”;

12.2.8. Clause D17 – “Loss of rental income”;

12.2.9. Clause D18 – “Damage to portable electronic equipment” (damages that occurred at another address);

12.2.10. Clause “Theft” (KGT);

12.2.11. Clause “TPL” – “Third party liability”;

12.2.12. Clause “SOS for Home”;

12.2.13. Clause “Accident”.

12.3. Raising claims and considering the claim on behalf of the Insurer:

12.3.1. In the case of occurrence of insured event, the Insured informs the Insurer in one of the following manners:

a) via the 24-hour telephone of the Client Service Centre;

b) via the e-form for filing notification on the occurred insured event that is available at the corporate Website of the Insurer - <http://portal.claim.bg/dzi/property>.

12.3.2. The Insurer checks the satisfaction of the criteria under point 12.1. and point 12.2. and informs the Insured on the opportunity to be using the process “Fast track”;

12.3.3. In the case the Insured agrees to be using the process “Fast track”, the Insurer pays:

a) short text message to the mobile phone defined by the Insured or

b) electronic message to the email address provided by the Insured.

The communication contains email (link) of online order for self-service of the Insured.

12.3.4. The Insured performs by itself shooting of the damaged property and via the link provides the Insurer with the photographs explicitly required by the Insurer, as well as documents and information about the bank account, where the insurance indemnity should be paid.

12.3.5. On the grounds of the received photographs, documents and information, the Insurer assesses the damages in one of the following manners:

a) according to the price lists used by the Insurer, which the Insured has the right to review;

b) on the grounds of the documents presented by the Insured for the performed repairs with own efforts and means.

In the case the quality of the photographs provided to the Insurer does not allow it to assess the damages, the Insurer requires from the Insured to perform new shooting.

12.3.6. After receiving the required documents, information and photographs of the necessary quality, the Insurer sends the Insured the follow-up link (online order) with which the Insured should confirm the following details reflected in the order:

a) declared data about the event;

b) assessment of damages drawn by the Insurer;

c) provided bank account.

12.3.7. During every stage of the process, the Insured and/or the Insurer could request the performance of inspection on the spot of the damaged property. In these cases considering the claim should be continued in the general manner foreseen in point 11.

12.4. For the purposes of processing the claim under the “Fast track” all the statements being exchanged between the Insured and the Insurer online are perceived as ones made in writing and are binding to the parties with all the resulting legal consequences.

12.5. The Insurer pays the insurance indemnity in conformity with the provisions of point 11.4. to point 11.9.

### **XIII. RIGHT OF RECOURSE**

13.1. With the payment of insurance compensation the INSURER enters into the rights of the INSURED up to the amount of compensation paid and the usual expenses incurred for its determination against: the causers of the damage, including in cases of damages resulting from breach of contract; the assignor for work assigned by him to a third party during which or on occasion of which damages have occurred under Article 49 of the OCA; the owner of the item and the person who was obliged to supervise the item that caused damages to the INSURED/INSURING PARTY under Article 50 of the OCA.

The waiver of the INSURED/INSURING PARTY of his/her rights against the causers of the damage shall take no effect in relation to the INSURER in the exercise of his recourse rights.

13.2. The INSURED/INSURING PARTY or the THIRD PARTIES who are entitled to insurance indemnity are obliged, at the request of the INSURER, to present all necessary documents, data and evidence, as well as to cooperate with the INSURER for the enforcement of his recourse rights.

### **XIV. GOVERNING LAW, LIMITATION, JURISDICTION**

14.1. The rights and obligations in connection with the payment of insurance indemnity under the property insurance contract shall be extinguished after 3 (three) years, and under Clause “Third Party Liability” - after 5 (five) years from the date of occurrence of the insured event.

14.2. Claims of the INSURER for insurance premium shall be extinguished after three years from the respective maturity date.

14.3. Any disputes between the parties concerning insurance contracts concluded on the basis of these General Terms and Conditions shall be resolved by negotiation, and in case of failure to reach an agreement – by the competent court in conformity with the applicable civil legislation of the Republic of Bulgaria.

### **XV. COMPLAINTS**

15.1. The policy of DZI - General Insurance JSC for the management of complaints of users of insurance services is determined by the Complaints Handling Rules approved by the Management Board of the Company and published on [www.dzi.bg](http://www.dzi.bg).

15.2. Users of insurance services of DZI - General Insurance JSC have the possibility to lodge complaints at any stage of their servicing:

a) through the feedback platform on the corporate website of DZI - General Insurance JSC at [www.dzi.bg](http://www.dzi.bg);

b) at the official e-mail address of DZI - General Insurance JSC: [clients@dzi.bg](mailto:clients@dzi.bg);

б) at any structural unit of DZI - General Insurance JSC (Head Office, Head Agency, Agency and/or Office) in writing.

15.3. Upon submission of a complaint by a User of Insurance Services, an incoming reference number is given, which will be delivered in a way convenient to the user. The submitter is required to state a current address and/or e-mail address where to receive the written response from the INSURER, as well as a contact telephone number in case of need of further clarification of circumstances.

15.4. A written response will be sent to the User of Insurance Services within 1 (one) month from the date of filing of the complaint.

15.5. In case of refusal to honour the complaint, the INSURER shall give reasons for his refusal, indicating to the complainant possibilities to seek protection of his rights before the Financial Supervision Commission, as well as before other competent institutions.

### **XVI. FINAL PROVISIONS**

16.1. The parties shall consider the information presented to them in relation to the insurance as commercial and insurance secret and shall not disclose it to third parties, except in the cases provided by law.

16.2. All relations between the parties in connection with the conclusion, amendment and termination of the insurance contract shall be executed in writing.

16.3. In case of discrepancy between the insurance contract and these General Terms and Conditions, the provisions stipulated in the insurance contract shall prevail.

## **XVII. DEFINITIONS**

**The INSURED** is the person whose material and/or non-material assets are subject to insurance protection under the insurance contract.

**The INSURING PARTY** is the person who is party to the insurance contract, who negotiates the conditions and concludes the insurance contract.

**BENEFICIARY** is the person who is specified by the INSURING PARTY in the insurance contract as entitled to receive all or part of the insurance indemnity.

**Third party** is every physical person or legal entity that differs from the Insurer, Insured, members of his/hers/its family and the persons are in labour legal relations with the Insured and/or represent it according to its registration.

**Related parties** are the spouses, relatives of direct line of descend – without any limitations; the relatives of the collateral branch of the family – to the fourth degree, including the relatives by marriage, including: employer and employee; co-partners; company and person that holds more than 5% of the shares and the stocks issued with voting right in the company; as well as the following persons:

- Whereas one person/entity participates in the management of other person's entity;
- Whose business is being controlled directly or indirectly by a third party;
- Who jointly control directly or indirectly a third party;
- One of them is commercial representative of the other;
- One of them made donation in the interest of the other;
- Who directly or indirectly participate in the management, control or capital of another person or the persons hence they could agree on terms different from the ordinary ones.

**Insurable Interest** is a legal relationship under which a person owns material or non-material assets whose harming by an insured event will cause damage or will be prejudicial to that person.

**Insurance Risk** is the objective likelihood of occurrence of a harmful event, the occurrence of which is uncertain, unknown and independent of the will of the INSURING PARTY, the INSURED or the THIRD PARTY BENEFICIARY.

**Insured Event** is the occurrence of a risk covered under the insurance during the term of validity of the insurance contract.

**Total loss** is a damage where the insured property has fully perished or to the degree that does not allow its recovery via repairs or if the repair costs would exceed the value of the property itself. It is believed that a loss which exceeds 85% could be defined as fully constructive/economic damage where the latter is perceived as total damage.

**Sum Insured** is the amount of money specified in the insurance that is defined on the grounds of the recovery value of the insured property;

**Liability limit** – the upper liability limit defined in the insurance contract of the Insurer for certain types of properties, groups of properties and/or risks defined as per cent of the Insured sum or as a fixed sum.

**Deductible** is the personal participation of the INSURED consisting in assuming part of the liability in case of the occurrence of an insured event. The deductible can be unconditional or conditional.

**Unconditional deductible** - regardless of the amount of damages the INSURED always participates in covering the damages with the agreed amount of deductible. The INSURER deducts the amount of the unconditional deductible from the amount of compensation due.

**Conditional deductible** - damages whose amount is less than the agreed deductible are covered entirely by the INSURED. If the claim is greater than the amount of the deductible, the INSURER pays the full amount of the indemnity without deducting the deductible of the INSURED.

**General Terms and Conditions** means standard clauses applicable to an unlimited number of insurance contracts, irrespective of their name.

**Household** means the persons, irrespective of the kinship and family relationships between them, living together in a common housing and having a common budget.

**Members of the family** are the husband, wife, children under 18 years of age, and if they continue their education - up to 26 years of age, and if they are legally incapable or permanently incapacitated - regardless of their age.

**Household property as a set of objects** – the INSURER also bears the risk for household property belonging to the persons with whom the INSURER is living together at the time of the occurrence of the insured event.

**Wreck of electric and domestic appliances** is violation of the ordinary regime of work/sudden stoppage/temporary or permanent blockage of machine, device, apparatus or system of devices as a result of factory or hidden defect; wear-out, becoming obsolete, material fatigue; amortization, tearing, breakage; mechanical disturbances, failures of the electric devices and apparatuses etc.

**Terrorism/act of terrorism** is the usage of force or violence and/or threatened usage onto a person or group of people irrespective of whether we are acting individually or on behalf of organization or government bound with political, religious,

ideological or similar objectives, including the intention to impact every governance and/or make society and/or part of it feel fear;

**Pro rata tariff** is part of the effective tariff of the Insurer that is calculated pro rata 1/365 of the annual insurance premium for each day of the insurance period.

**Short-term tariff** is every part of the effective tariff of the Insurer that differs from the pro rata one applicable towards insurance contracts entered for a term shorter than 1 year.

**Internet** is a global system of interrelated IT networks that use standardized series of protocols for data transfer that cross the state borders. Accessing this network is through IT equipment as personal computers, tablets, mobile phones and others. It conveys information via contents, including electronic message systems, systems for instantaneous and chat communications, websites, blogs, discussion forums and social networks.

## **PART B. APPENDIX “CLAUSES”**

### **Clause A “Fire+” – basic cover**

**Definition and characteristics** of the risks covered:

**Fire** is combustion with the appearance of flame that has occurred at a fireplace not in conformity with the purpose or that has gone out of it and capable of spreading through its own energy. Damage is expressed in complete or partial burning, scorching, smoking, charring, smouldering or contamination by the action of water, foam or preparations during fire extinguishing.

**Lightning** is the contact between a highly electrified cloud and the Earth with destructive action as a result of the high voltage, the great power of the electric current and the high temperature. Damage is expressed in ignition, melting, scorching, smoking, breaking, crushing or mechanical damage in case of direct hit on the insured property.

**Explosion** is a sudden and unforeseeably occurring manifestation of force caused by the striving of gases, liquids or vapours and/or their mixtures to expand. Explosion causes breaking, crushing, distortion, rupture, burning, smoking. Indemnified under this Clause shall be damages to the insured property as a result of boiler explosion, without damages to the boiler itself.

**Implosion** is a phenomenon contrary to explosion and represents a sudden and explosive filling of volume which is in a state of vacuum, i.e. pressure in this volume is lower than the external. Damage is expressed in breaking, crushing, distortion and rupture of properties.

**Collision or fall of piloted aircraft**, its parts or cargo cause breaking, crushing, distortion, ignition or damage to property.

Under this clause **no compensation is provided** for damages:

- a) occurred as a result of exposure of the insured property to fire or heat with the purpose of its treatment or as a result of its contact with a strongly heated object or appliance for lighting, heating, warming or ironing;
- b) result of fire (arson) deliberately caused by third parties, malicious explosion or malicious actions that have led to fire of the insured property, as well as fire as a result of earthquake;
- c) inflicted on electrical appliances under the influence of electrical current without emergence of flame – voltage above/below normal, defects in the insulation, short circuit, insufficient contact, technical malfunction of measuring, regulating and protective devices;
- d) from scorching, singe or melting, which do not result from fire, but from a contact with a heated object;
- e) caused by the collapse of rock and/or Earth masses and as a result of explosions carried out on the order of a competent authority.

The exclusions under items a), c) and d) shall not apply to damages resulting from an insured event that has occurred in relation to other insured property and covered under Clause “Fire+” insured event.

### **Clause “Online security”**

At the time of entering the insurance “Comfort for home”, “DZI-General Insurance” JSC provides insurance cover under the terms and conditions of the present Clause, via the provision of legal protection and assistance thanks to its contractual partner – Assisting company. The insurance cover is valid throughout the Republic of Bulgaria.

### **Covered risks. Expenses subject to insurance coverage**

The Insurer shall provide coverage for a maximum of 2 (two) Disputes arising in one insurance period, for any combination of any of the risks listed below.

#### **1. Identity theft**

Identity theft shall be any unauthorized use of Identification Details or Authentication Details of the Insured by a third party for the purpose of committing fraud, resulting in damages sustained to the Insured.

1.1. In case of a Dispute related to identity theft, the Insurer shall provide legal protection and judicial defense under the terms of point 4 of the present Clause and/or shall pay compensation for the losses incurred, namely:

- 1.1.1. the amount corresponding to the fraudulent transaction committed at the expense of the Insured;
- 1.1.2. loss of income for a term of up to 5 (five) working days if the Insured must use unpaid leave due to a court summons or in connection with a criminal investigation;
- 1.1.3. postal costs;
- 1.1.4. additional telephone costs up to BGN 60 (sixty);
- 1.1.5. bank charges;
- 1.1.6. costs for replacing identity documents.

In the event that the Dispute cannot be resolved within 5 (five) months from the date on which the Authorized Specialist and/or the Insurer have received all the necessary documents of the claim, the Insurer shall reimburse the Insured for the expenses described above within 14 (fourteen) days from the date on which it has sent a written notice to the Insured regarding the final amount of the indemnity.

1.2. Coverage limit:

1.2.1. The limit of the costs for legal protection shall be defined in accordance with point 4 of the present Clause.

1.2.2. The coverage limit for the losses incurred under item 1.1. shall be set at BGN 2 000 (two thousand) per Dispute.

## **2. Harm to online reputation**

Harm to online reputation shall represent Slander, Insult or Illegal Disclosure of the Insured's private life by using a photograph, document, video or a post in a blog, discussion forum, social network or website that undermines the Insured's reputation due to the character or nature of the information, namely:

a) Defamatory – an allegation that is untrue and offensive;

b) Insulting – offensive, abusive or contemptuous; or

c) Unlawful disclosure of the Insured's privacy.

d) Addressed to a group of people or publicly accessible.

2.1. In the event of a Dispute relating to damage to online reputation, the Insurer shall provide legal assistance and judicial defense under the terms and conditions of Section II and/or specialized services specified in item 2.2, regardless of the place of residence of the person responsible for the distribution of harmful information.

2.2. Specialized services in case of a Dispute relating to damage to online reputation

2.2.1. Assistance by a company specializing in E-reputation:

In case of a Dispute relating to damage to the Insured's online reputation, the Insurer shall engage a specialist company to provide the necessary services of „Cleaning“ and „Flooding“.

Within the scope of the „Cleaning“ service, the specialist company will be responsible for removing links containing the injurious information indicated by the Insured and to establish whether there are any copies of them existing on the event declaration date, wherever feasible and possible subject to the existing technical limitations of the Internet.

In the event that the removal of links is impossible, the specialist company shall create new content which shall be referenced in the first pages of the leading search engines („Flooding“). The purpose of this new content will be to push the harmful information down the list of results of the leading search engines. The result obtained shall be dependent on the absence of amendments to the search algorithms used.

The Insurer and the specialist company shall provide their services described above on a best-effort basis, without guaranteeing that the desired outcome will be achieved.

2.2.2. Psychological support

Psychological support shall consist in rendering psychological help to the Insured by a Psychologist. Receiving psychological support shall be done through visits to a specialist, which may under no circumstances be replaced by telephone and/or internet consultation (through Skype or similar application).

2.3. Coverage limit:

2.3.1. The Insurer shall cover expenses incurred for the services under item 2.2.1. up to BGN 4 000 (four thousand) per Dispute, and the maximum amount of costs in respect of the „Flooding“ service shall be up to BGN 2 000 (two thousand) per Dispute.

2.3.2. The Insurer shall cover the costs for a consultation with a Psychologist for up to a maximum of 10 sessions (of up to BGN 100 (one hundred) each) per Dispute.

2.3.3. The coverage limit for legal protection shall be determined in accordance with point 4 of the present Clause.

2.4. Special exclusions:

This Clause shall not provide coverage for any Dispute resulting from:

2.4.1. any deliberate distribution of personal information by the Insured or permission to distribute personal information granted by the Insured;

2.4.2. harm to the Insured's e-reputation in the form of a conversation, talk or publication carried out on the internet using instant messaging software with or without videos or webcams, when the email/letter or the instant message was sent only to the Insured;

2.4.3. any action not directed against the publisher or hosting provider of the medium on which the Insured has been defamed, insulted or has seen his/her private life disclosed illegally;

2.4.4. an attack on the Insured's e-reputation by a media company or a journalist.



### **3. Dispute related to the purchase of a product from an online retailer**

3.1. The Insurer shall provide legal protection and judicial defense under the terms and conditions of point 4 of the present Clause or upon its discretion pays indemnity upon the occurrence of a Dispute with an online retailer or a courier/postal service responsible for the delivery of a product purchased online as a result of one or more of the reasons listed below, for which the Insured has submitted/sent a written complaint to the attention of the online retailer, respectively – of the courier service, and the latter has not satisfied the Insured's complaint within 15 (fifteen) working days from the date of sending the written complaint:

3.1.1. the product has been delivered broken or with impaired integrity;

3.1.2. the product has been delivered incomplete;

3.1.3. the product has been delivered defective;

3.1.4. the product does not correspond to the order parameters (i.e. it differs in size, colour, material, etc.) or does not correspond to the manufacturer's or distributor's product description as indicated on the order form;

3.1.5. the product has not been delivered within 10 (ten) calendar days after the expiry of the delivery time indicated by the online retailer on the order confirmation.

3.2. Insurance coverage shall be provided, provided that the delivery address is located on the territory of the Republic of Bulgaria and the purchased product is:

3.2.1. transportable;

3.2.2. purchased online during the insurance period;

3.2.3. new (second-hand goods shall not be subject to coverage);

3.2.4. of a value between BGN 60 (sixty) and BGN 6 000 (six thousand), including VAT;

3.2.5. purchased from a retailer registered in the Republic of Bulgaria;

3.2.6. delivered by registered post or by a private carrier/postal service.

3.3. Upon the occurrence of a Dispute with an online retailer regarding a purchased product of up to BGN 500 (five hundred), the Insurer shall provide only legal protection for reaching an out-of-court settlement.

3.4. Upon the occurrence of a Dispute with an online retailer regarding a purchased product of a value from BGN 501 (five hundred and one) up to BGN 6 000 (six thousand), the Insurer shall provide legal protection for reaching an out-of-court settlement and judicial defense at the explicit wish of the Insured under point 4 below.

3.5. The limits of costs for legal protection is determined in point 4 of the present Clause.

3.6. Insurance coverage shall not be provided for any Dispute resulting from the purchase of the following products:

3.6.1. Animals and vegetables;

3.6.2. Perishable goods and foodstuff;

3.6.3. Medications;

3.6.4. Goods/products/Items purchased through an auction site;

3.6.5. Land-based motor vehicles;

3.6.6. Jewellery or precious objects such as works of art, silverware;

3.6.7. Any items with a monetary value (such as bills, cash, securities, shares, bonds, coupons, certificates and papers, cryptocurrencies, all other debt securities or title deeds, short-term notes, stamps – postal and tax, travel documents, admission tickets);

3.6.8. Digital data to be displayed or downloaded online – music, films, applications, etc.;

3.6.9. Items for industrial use and items purchased to be resold;

3.6.10. Goods not delivered due to a strike in the postal service or by the carrier, lock-out or sabotage;

3.6.11. Weapons of all categories;

3.6.12. Goods prohibited by Bulgarian law;

3.6.13. Goods characterized as violent, pornographic, discriminatory or violating human dignity.

#### **3.a. Dispute related to booking a hotel, airline ticket or vehicle made online.**

3.a.1. The Insurer provides legal assistance and judicial protection under the terms and conditions of point 4 of the present Clause in the case of Dispute that has occurred and is related to:

3.a.1.1. booking an accommodation in a hotel, apartment or a house, located throughout a member-state of the European Union, if the booking was made via the official website of the accommodation location or via online platform for short-term rental of real estates and in the case that:

a) the accommodation is for a term of up to 3 (three) months;

b) the provided accommodation location – hotel room/apartment/house is not in conformity with the standard for the booked accommodation location or the description and the photo material used online at the time the Insured prepared the order;

c) the Insured was supposed to pay additional fees and costs that were neither agreed in advance nor defined in the proposal;

3.a.1.2. booking or purchase of airline ticket made online and in the case that:

a) the bookings/tickets for the flight are overlapping;

b) the flight was cancelled;

c) the flight is late;

d) the flight is redirected to another landing point;

e) the luggage of the Insured is late or lost;

3.a.1.3. the booking/payment of rent-a-car made online via website registered in member-state of the European Union, in the case that:

a) the vehicle provided for rent is not in conformity with the category of the booked/paid rented vehicle;

b) The Insured was supposed to pay additional fees and costs that were neither agreed in advance nor defined in the proposal;

c) in the case of returning the vehicle, the Insured was obliged to cover additional costs for damages for which he was not responsible.

3.a.2. The insurance cover is provided as long as:

3.a.2.1. the booking/purchase/payment was effected during the insurance period;

3.a.2.2. The Insured has sent a complaint in writing to the hotel/online platform for short-term rent of real estates/ airline company/ rent-a-car company and didn't receive compensation within 15 (fifteen) days after filing a complaint in writing.

3.a.3. In the case of Dispute occurrence that is related to booking a hotel, airline ticket or a vehicle at a value that exceeds 500 (five hundred) BGN, as a result of which the Insured undergoes total loss or damage at the value of up to 500 (five hundred) BGN, the Insurer provides solely legal assistance in order to achieve out-of-court agreement.

3.a.4. In the case the loss/damage as a result of the occurred Dispute related to booking a hotel, airline ticket or a vehicle at a value that exceeds 500 (five hundred) BGN, the Insurer provides legal assistance in order to arrive to out-of-court agreement, as well as judicial defence in the case the Insured has stated his/her explicit wish under point 4 below.

3.a.5. The limits of costs for legal assistance are defined in point 4 of the present Clause.

3.a.6. The present insurance cover is not provided in the case the hotel, the online platform for short-term rent of real estates, the airline company or the rent-a-car company have paid in timely manner compensation to the Insured or have provided on their account alternative resolution for settling the Dispute including but not limited to:

- location for accommodation or vehicle of higher category;

- alternative airline ticket;

- overnight stay in order to move by the next flight.

#### **Legal protection upon the occurrence of a covered risk**

#### **4. The Insurer shall provide legal protection upon the occurrence of any of the covered risks in order to protect the interests of the Insured.**

4.1. Upon the occurrence of a Dispute, the Insured shall contact the Assistance Company via the 24-hour telephone line of the Insurer's Customer Service Centre. The Assistance Company shall take over the case with a view to appointing an Authorized Specialist and/or Legal Experts to provide specialized assistance to the Insured.

4.2. The Authorized Specialist shall assist the Insured in resolving the Dispute through an amicable settlement.

In the event that the Dispute cannot be settled through an out-of-court agreement, the claim shall be referred for consideration to the competent Bulgarian court.

4.3. Specifically, the stages of providing legal protection shall be:

4.3.1. Legal assistance for reaching an out-of-court settlement

Upon the occurrence of a Dispute, the Authorized Specialist shall analyze the situation occurred and shall consult the Insured by offering him/her the optimal approach to defending his/her interests.

Should the Authorized Specialist deem it appropriate, the opposing party may be contacted directly to be presented with the analysis of the Dispute, the rights and obligations of the Insured, as well as the opposing party's obligations towards the Insured.

4.3.2. Judicial defence

In the event that the Dispute cannot be resolved through an out-of-court settlement and the legal proceedings are deemed to be the appropriate action, the Insurer, through the Assistance Company, shall appoint a Legal Expert to defend the Insured's interests, and shall cover the legal costs and fees incurred for every covered Dispute.

Judicial defence of the Insured's interests shall be provided on condition that:

- a) the size of the claim is for an amount not less than BGN 200 (two hundred) as of the date of registration of the Dispute by the Assistance Company,
- b) the product purchased from an online retailer is of a value higher than BGN 500 (five hundred).

#### 4.4. Coverage limit:

4.4.1. If the Dispute necessitates the involvement of a Legal Expert, the Insurer shall cover the legal costs and fees incurred up to the limit of BGN 1500 (one thousand and five hundred) for each Dispute occurred as follows:

- a) for preparation of notarial invitations, including for claims or answers to claims – up to BGN 400 (four hundred), not more than three written documents per Dispute;
- b) remunerations, charges and expenses related to the participation of other officials – up to BGN 400 (four hundred) per Dispute.

4.4.2. In the event that the Dispute is referred for consideration by the competent Bulgarian court, the Insurer shall cover:

- a) legal costs and lawyer's fees incurred at the Court of First Instance – up to BGN 8 000 (eight thousand) per Dispute;
- b) legal costs and lawyer's fees incurred at the Court of Second Instance – up to BGN 12 000 (twelve thousand) per Dispute.

4.4.3. In addition to the specifically described costs covered by the Insurer, the following costs shall also be included in the relevant coverage limits, where applicable:

- a) carried out in connection with obtaining the necessary documents from investigative bodies;
- b) for expert fees;
- c) which the court has determined for payment by the Insured.

#### **General exclusions**

#### **5. The Insurance shall not provide coverage for any Dispute related to:**

- 5.1. A triggering event that has occurred prior to the beginning of the insurance period;
- 5.2. Intellectual property;
- 5.3. Customs or tax issues;
- 5.4. Agreements or guarantees as well as any other financially binding documents such as, but not limited to, a promissory note provided by the Insured or received by him/her;
- 5.5. Participation of the Insured in any form in a partnership, legal entity or a sole trader;
- 5.6. A paid or professional activity;
- 5.7. A political or union activity, an elected appointment;
- 5.8. Complicity of the Insured in any illegal activity;
- 5.9. An action taken against the Insured for fraud or proceedings relating to intentional tort or a crime.  
This exclusion shall not apply and the Insurer shall cover the Insured's solicitor's fees should the final court decision reject the fraud or intentional nature of the breach of the Insured (discharge of the accused, reclassification of the offense, acquittal);
- 5.10. Identity theft or fraudulent use of payment means committed by a person insured under this policy;
- 5.11. Damages for which the Insured is entitled to indemnity under a civil liability insurance;
- 5.12. Amendment of legislation.

#### **6. The Insurer shall not cover:**

- 6.1. Any damages suffered by the Insured of which he/she has been solely responsible;
- 6.2. Charges due to mediators;
- 6.3. Costs incurred by the opposing party and ordered by the Court to be paid by the Insured;
- 6.4. Costs and fees of private investigators/private detectives;
- 6.5. Any court costs for criminal proceedings;
- 6.6. Costs of consultations and any actions taken to settle the Dispute carried out before the declaration of the Dispute, unless there have been circumstances of emergency requiring immediate action to limit the damage.

#### **Relationships between the parties**

## **7. Obligations of the Insured**

7.1. Upon the occurrence of an insured event related to a risk covered under item 1 and item 2, the Insured shall be obliged to notify the police/prosecutor's office bodies and to file a complaint in the appropriate order.

7.2. Upon the occurrence of a Dispute resulting from any of the covered risks, the Insured shall be obliged to contact the Assistance Company via the 24-hour telephone line of the Insurer's Customer Service Centre, providing the following information:

- a) insurance policy number under Comfort for Home Insurance, the full name and Personal Identification Number of the Insured under the insurance policy;
- b) address of the insured object;
- c) a brief description of the situation;
- d) a contact telephone through which the Assistance Company/Authorized Specialist can communicate with him/her, keep him/her informed and guide him/her in the actions he/she must undertake;
- e) e-mail address for further communication.

7.3. In the case of a Dispute related to the purchase of a product from an online retailer, the Insured shall be obliged to also provide the following additional information:

- a) cause of the Dispute;
- b) product description (example: product type/code, colour, size), supplemented by photographs, where applicable;
- c) invoice/order number and purchase price of the product;
- d) agreed delivery date and/or product receipt date.

7.3.a. In the case of Dispute related to online booking a hotel, airplane ticket or vehicle, the Insured should provide the following additional information:

- a) reason behind the Dispute;
- b) invoice or confirmation of the booking/order;
- c) copy of the sent complaint in writing together with all the attached documents.

7.4. The Insured also undertakes to:

7.4.1. coordinate with the Insurer all actions taken independently, including legal matters in relation to the Dispute;

7.4.2. provide the Insurer with all required documents, notify the latter of any other insurance companies which may be related to the specific Dispute and declare to the Insurer any amounts which have been or are to be received in relation to the Dispute.

## **8. Obligations of the Insurer**

8.1. Upon the registration of a Dispute under this Clause, the Insurer undertakes, through the Assistance Company, to:

8.1.1. choose the most appropriate way of addressing each Dispute at any stage of its development on the basis of the information provided by the Insured/Applicant;

8.1.2. engage a Legal Expert if the Dispute requires it;

8.1.3. engage an Authorized Specialist to provide the „Cleaning“ and „Flooding“ services in the cases under item 2.

8.2. The Authorized Specialists and Legal Experts engaged by the Insurer shall be obliged to coordinate with the Insured the subsequent actions necessary to resolve the Dispute.

## **9. Disagreement between the parties**

9.1. In the event of a disagreement between the Insured and the Insurer with respect to the steps to be taken to settle the Dispute, the Insured may:

9.1.1. submit this disagreement for assessment by a third party appointed by agreement or designated by the Court. In this case, the Insurer shall cover the costs incurred in the initiation of this action, although the Court may charge the Insured, if it considers that the latter has initiated this action under abusive conditions, or

9.1.2. initiate legal action at his/her discretion and at his/her expense. In this case, if the Insured obtains a favorable definitive court decision, the Insurer shall reimburse the Insured for the costs and fees incurred by him/her under the terms and conditions of this Clause for the relevant covered risk.

9.2. The Insurer shall be free to choose his/her own lawyer each time a contradiction arises between him/her and the Insurer. In this case, the Insurer shall cover lawyers' expenses and fees up to the maximum coverage limits according to the terms and conditions of this Clause.

## Definitions

**Insurer:** DZI – General Insurance JSC, 89B, Vitosha Blvd., UBB Millenium Centre, 1463 Sofia, Bulgaria.

**Insuring Party:** a person who has concluded a Comfort for Home policy issued by the Insurer and has paid the premium due.

**Insured Person:** a natural person recorded in the insurance policy as the Insured or the Insuring Party if the Insured and the Insuring Party are the same person. The Insured's spouse, as well as their children up to 25 years old, who are living in the same residence and provided they are still students, shall also be subject to insurance.

**Insured Event:** the occurrence of a risk covered under the insurance during the period of the insurance coverage.

**Insurance Period:** the insurance period (the term for which the premium is fixed) shall be 1 (one) year. In case of contracts concluded for a period longer than 12 months or for an indefinite period, the first insurance period shall start from the inception date of the insurance coverage, recorded in the policy. Each subsequent insurance period shall begin on the date following the expiration of the previous one.

**Authorized Specialist:** a person or a company engaged under a contract to provide the services described in this clause.

**Legal Experts:** lawyers or law firms that are licensed to practice on the territory of the Republic of Bulgaria and are engaged by virtue of a contract, including by the Authorized Specialist or the Insured to provide legal services.

**Fraud:** Any act of committing corpus delicti under the Penal Code of the Republic of Bulgaria.

**Identification Details:** permanent or current address, telephone number, any information referred to on an identity card, passport, driving licence, another identity document, photo, motor vehicle registration number, bank statements, social security number, cheques (excluding travellers' cheques) belonging to the Insured.

**Authentication Details:** personal identification numbers, logins for systems, programmes, applications, passwords, IP addresses, email addresses, bank card numbers and fingerprints.

**Dispute:** Opposition of interests, disagreement or refusal in respect of extrajudicial or judicial claim brought by or against the Insured.

**Triggering Event:** A Dispute resulting in the infringement of rights or damages the Insured has suffered or caused to a third party that has occurred prior to the filing of an insurance claim.

**Claim Amount:** The total amount of the indemnity that the Insured is entitled to claim further to a Dispute, excluding late payment penalties, interest and associated damages.

**Internet:** Worldwide interconnection system for IT networks using a standardized series of data transfer protocols which crosses over state borders. This network can be accessed by IT equipment such as personal computers, tablets, mobile telephones, etc. It provides information via media including electronic message systems, instant and chat message systems, websites, blogs, discussion forums and social networks.

**Insult:** offensive expression, term of contempt or abuse, distinct from slander in that it does not entail any accusation.

**Illegal disclosure of private life:** unauthorized disclosure of personal information related to the Insured's private life, health and public image.

**Slander:** allegation or accusation that damages the honour or esteem of the person accused.

**Intellectual Property:** A category of property that includes intangible creations of the human intellect and primarily encompasses copyrights, patents and trademarks. It also includes other types of rights, such as trade secrets, publicity rights, moral rights, and rights against unfair competition. Artistic works like music and literature, as well as some discoveries, inventions, words, phrases, symbols, and designs also belong to this category.

**Auction Site:** Online sale in which several buyers make bids to buy an item.

**Cleaning:** The process performed by a specialist company consisting of identifying the sources that have caused harm to the online reputation of the Insured, requesting from the host to remove the harmful information.

**Flooding:** The process performed by a specialist company, consisting of creating additional content to push back the original entry, e.g. in a blog.

**Psychologist:** A person who is qualified by an accredited degree in psychology and who is registered to practise within the scope of his/her education. The Psychologist shall not be the Insuring Party/Insured or a member of their family or relatives, business partner, agent, employer or employee.

## CLAUSE "A1" – "Malicious acts"

### MALICIOUS ACTS OF THIRD PARTIES, VANDALISM

**Definition and characteristics** of the risk covered:

Covered shall be damages, caused directly by the malicious actions of third parties, including through maliciously caused fire (arson) or malicious explosion, without the intent to illegally take over possession. Damages are expressed in full or partial burning, scorching, smoking, charring, smouldering or contamination by the action of water, foam or preparations for fire

extinguishing, intentional destruction or damage (mechanical, chemical) of the insured property. When conducting inspection to establish the damage, the damaged property must be available, except in cases of arson.

Under this clause no compensation is provided for damages:

- a) occurred as a result of exposure of the insured property to fire or heat with the purpose of its treatment;
- b) caused by an explosion carried out on the order of a competent authority.

## **CLAUSE “B” – “NATURAL DISASTERS”**

**Definition and characteristics** of the risks covered:

**Storm** is the movement of air masses conditioned by the weather at wind speed over 15 m/sec. Pertaining to storm are: hurricane, whirlwind and tornado. Damages are expressed in overturning, breaking, tearing, rupture, detachment, carrying away and mechanical damage or destruction of property. Compensated shall be damages directly caused by the storm, including by parts of buildings, trees, branches or objects carried by it, fallen on the insured property.

The existence of storm is certified by a document issued by the National Institute of Meteorology and Hydrology of the Bulgarian Academy of Sciences and/or another competent authority, or evidence establishing that as a result of the speed, force and duration of air movement in the immediate vicinity of and at the insurance location damages have been caused to buildings or stable sites or facilities which before the event have been in good constructional and technical condition.

**Hail** is a precipitation of ice grains or pieces. In most cases hail is accompanied by rain. Direct damages are expressed in breaking, crushing or mechanical damages to properties, in soaking after breaking of glass, roof-tiles.

**Torrential rain** is the fall of large amounts of rainfall over a short period of time. Damages caused to properties are expressed in soaking, carrying away, flooding or siltation.

**Flood** represents the pouring of large quantities of water masses as a result of: intensive or long-duration precipitations of any kind, rapid melting of snow or ice, overflow beyond banks (walls) of above-ground water basins, in case of water level rise. Damages are expressed in: flooding, soaking, siltation, overturn, carrying away of insured properties.

**Load from natural accumulation of snow and/or ice** – damages are expressed in overturn, collapse or deformation of buildings and facilities, as well as of property located therein for storage, regardless of whether snow has fallen for a short time in abundant quantity or its accumulation is generated as a result of blowing wind.

**Frostbite/Freezing** occurs when air temperature falls below 0°C, due to which properties get spoiled, damaged or destroyed.

Under this clause **no compensation is provided** for damages:

- a) to properties located outdoors, if the same, due to their nature must have been stored in premises indoors;
- b) as a result of induced draught or penetration of rain, hail, snow or filth through windows and external doors left unclosed or through other openings of the building, unless the same have been made by the storm or the hail and if concurrently with them damage has been caused to the building;
- c) as a result of damaged roofs, windows and other parts of the building;
- d) caused by the load from accumulation of snow or ice through human intervention. No compensation is provided for damages to awnings and canopies which are not specifically designed for use during the winter season;
- e) caused to parts of buildings, machines, facilities, installations, which due to their nature and purpose are permanently exposed to weathering from frost.
- f) caused by freezing of internal installations, including steam, heating, water installations, if no measures have been taken to protect them from freezing.
- g) as a result of flooding that occurred after declaration according to the legislation in force of a state of emergency for the territory in which the insured property is located, and if the insurance contract is concluded after the date of declaration of the state of emergency and the same has not been revoked before the occurrence of the damage.

The exclusion under paragraph (g) does not apply to cases where there is a written agreement between the INSURED and the INSURER to conclude insurance under Clause “Natural disasters”, before the declaration of the state of emergency.

## **“D1” CLAUSE – “EARTHQUAKE”**

**Definition and characteristics** of the risk covered:

**Earthquake** represents vertical or horizontal wavy shakes of Earth layers caused by sudden natural upheavals and faults in the crust or in deeper Earth zones. Compensated shall be only direct damages to insured properties, and damages occurring within a continuous period of 72 (seventy-two) hours after the first shock shall be considered as damages resulting from one event.

Under this clause **no compensation is provided** for damages:

- a) to water reservoirs and external staircases attached to buildings;

b) to buildings and facilities which in terms of design and construction have not been secured in compliance with the statutory requirements for seismic activity;

c) to frescoes, ornaments, stained glass and decorative elements;

d) caused by underwater waves or flood resulting from earthquake;

**Special requirement under Clause “Earthquake”** - applied is the deductible recorded in the insurance contract.

## **“D2” CLAUSE – “LEAKAGE OF WATER”**

**Definition and characteristics** of the risk covered:

**Leakage of water and steam** from pipe installations of buildings and devices connected thereto occurs upon cracking, burst out, perforation or breakage of installations or appliances connected thereto, disrupting thus their normal operation. Pipeline installations of buildings can be: water supply, heating, air-conditioning, sewage, sprinkler.

Included in the coverage is also damage as a result of soaking with water leaked from plumbing installation **as a result of forgotten open water taps**.

Damage is expressed in soaking, flooding, damage to or destruction of properties. The INSURER also covers damages to devices and installations that caused the event, unless the latter were damaged by wear and tear, corrosion or factory defect. Costs for opening and closing of installations before and after their repairs are indemnified within the sum insured of the property.

The coverage is also in force for damages caused by sprinkler installations, provided that the sprinkler installation has been maintained in good technical repair and regular checks have been performed by a competent authority.

Under this clause **no compensation is provided** for damages:

a) as a result of breakdown occurred during construction or repair works;

b) to uninhabited or unused premises – such left without supervision for more than 30 consecutive days. No compensation is provided for damages to installations, including steam, heating, plumbing, if the latter have been out of operation and have not been drained and scavenged appropriately;

c) resulting from breakdown of irrigation installations;

d) resulting from landslide or collapse of Earth layers, unless they are caused by leakage of water;

e) caused during testing or trial of pipeline installations;

f) caused by intentionally triggered sprinkler installation;

g) resulting from freezing of the installation;

h) during reconstruction or repair of the building or the installation itself;

i) caused by an earthquake, explosion;

j) resulting from clogging of an installation in the insured site.

## **D5 CLAUSE – “Landslide of earth layers”**

### **LANDSLIDE OR COLLAPSE OF EARTH LAYERS AND/OR ACTION OF GROUNDWATERS**

**Definition and characteristics** of the risks covered:

**Landslide of Earth layers** is a naturally determined detachment and slow movement of geologic nature of Earth masses along slopes and batters, which under the effect of their weight and of waters running above or under ground surface tear off, moves and fills natural cavities. Damage is expressed in rupture, cracking, collapse or destruction of structural elements of buildings, damage to or destruction of facilities, buried properties.

**Collapse of Earth layers** is expressed in the sudden, rapid and one-time fall of large Earth or rock masses from mountain ranges or banks as a result of weathering of rocks, weakening of their internal connections or their deep cracking. Damage is expressed in breaking, smashing, backfilling, damage to or destruction of properties.

**Action of groundwater** - Groundwater are the waters, which are contained in Earth layers. Typical of them is the presence of a water level, water stream or water flow in the soil or rock medium. Ordinary moisture associated with underground particles, which does not form a water level, is not groundwater. Damage is expressed in undermining foundations of buildings and facilities, soaking of basements and property located therein, flooding of underground facilities and installations located therein.

Under this clause **no compensation is provided** for damages:

a) resulting from landslide in areas that previously (before or at the time of conclusion of the insurance) have been established as landslide areas by the competent authorities;

b) caused by or representing: ordinary subsidence of new buildings, facilities or installations; subsidence or movement of artificial embankments; seaside or river bank erosion; low-quality design, performance or utilization of low-quality materials; fire, explosion, earthquake or water and steam leakage from pipeline installations of buildings and devices connected thereto;

- c) resulting from: demolition, construction, reconstruction or repair; excavation construction works or excavation works in various quarry types; natural properties of some soils, for example: clay, loess soils to shrink or swell during different seasons of the year due to variation of the soil moisture; lack, damage or insufficient maintenance of the necessary drainage facilities;
- d) resulting from flooding of excavation or construction works by groundwater occurred during their performance or during temporarily suspended works;
- e) expressed in moistening, moulding, rotting of timber material, corrosion of metal parts, destruction of plasters or weakened masonry and walls as a result of the slow and continuous action of underground moisture.

#### **D6 CLAUSE – “ACTION OF SEA WAVES”**

**Definition and characteristics** of the risk covered:

**Sea waves** represent the continuously changing state of water masses as a result for example of strong wind, fluctuations in the atmospheric pressure, tides, underwater earthquakes, volcanic eruptions. Damage is expressed in demolition, destruction, damaged or carried away buildings and properties built or located at the coastline.

Under this clause **no compensation is provided** for damages: resulting from the effect of sea waves on properties located in the Bulgarian territorial waters, as well as caused by sea coastal erosion.

#### **D7 CLAUSE – “Impact with a vehicle”**

##### **IMPACT WITH A VEHICLE AND/OR ANIMAL, BREAKDOWN WITH LOADING AND UNLOADING MACHINERY**

**Definition and characteristics** of the risk covered:

Damages are expressed in mechanical damages inflicted to insured property as a result of **impact with a vehicle** (without vessels, railway vehicles and aircraft) **and/or an animal**.

In order to ensure recourse, the INSURED/INSURING PARTY is obliged to submit to the INSURER a document certifying the event – an original or a certified copy of a document certifying the event, executed in the legally established manner – a Road Traffic Accident (RTA) Protocol, a Protocol of Findings of a RTA, a bilateral RTA findings protocol signed by the participants, a certificate from the police authorities, a protocol from an internal commission or other authorised body.

**Breakdown** is the collision and impact of loading and unloading machinery in insured property in the case of fall, overturn, derailment, rope tearing or breaking of parts and elements during their operation. Covered are also damages from the fall of cargo from load handling machinery as a result of the listed events.

Under this clause **no compensation is provided** for damages:

- a) to the vehicle itself/the broken down load handling machine;
- b) caused by overloading, improper load arrangement or fixing, as well as low-quality, insufficient or inappropriate load packing;
- c) resulting from or increased due to missing, insufficient and/or inappropriate qualification of the machine operator, operation after use of alcohol or intoxicating substance, unsupervised machine;
- d) during manual loading or unloading.

#### **“D9” CLAUSE - GLASS BREAKAGE**

**Definition and characteristics** of the risk covered:

Damages are expressed in breaking (violation of the integrity along the entire thickness) of the glass of: windows, doors, shop-windows, counters, advertising signs, plates and permanently fitted glasses, as a result of any reasons that are not explicitly specified in Section 4 of these General Terms and Conditions and are not listed below as exclusions.

Under this clause no compensation is provided for damages:

- a) incurred on glasses not firmly fixed in place;
- b) as a result of draught provoked by unclosed doors and windows.

#### **D14 CLAUSE – “SHOCK/ SOUND WAVE”**

**Definition and characteristics** of the risk covered:

Covered shall be direct material damages to insured immovable and/or permanently fixed thereto movable properties, occurred as a result of sudden and **accidental shock/sound wave** in case of: explosion, supersonic movement of bodies and powerful electric discharges.



## **“D15” CLAUSE – “Short-circuit”**

### **SHORT-CIRCUIT AND/OR ELECTRICAL SHOCK**

**Definition and characteristics** of the risk covered:

**Short circuit** is an accidental connection created in the electrical circuit with a different potential, in particular between the terminals of a power source in which the electric current is of a value for which the circuit was not designed

**Electric shock** is a sudden change in the values of power supply - overvoltage as a result of the power supply by an abnormal voltage from the mains or induction due to lightning.

Indemnified shall be only direct material damages resulting from short circuit and/or electrical current due to the supplied network power supply with other than nominal/optimal parameters, overvoltage occurring in regulated electricity transmission incl. obtained in the discharge of electricity in the atmosphere (lightning) in indirect hit.

Damages are expressed in ignition, mechanical deformations and destructions, burns, damages and modifications of the technical characteristics of the insured property.

Under this clause **no compensation is provided** for damages resulting from:

- a) failures in electric appliances and equipment or in the electric installation;
- b) short circuit produced by defects in electrical machinery of outdated or damaged insulation, broken and corrupted grounding and earthing of individual machines;
- c) planned power outages, repairs of the electricity grid, announced in advance by the electricity company.

## **D16 CLAUSE – “EXPENSES FOR TEMPORARY ACCOMMODATION”**

**Definition and characteristics** of the risk covered:

Compensated shall be costs **for temporary accommodation** of the INSURED/INSURING PARTY and the members of his/her family/household (in a hotel or rented housing) in case the main residence of the INSURED/INSURING PARTY becomes totally unfit for habitation as a result of an occurred insured event from a risk covered in a policy concluded under these General Terms and Conditions and provided that the INSURED/INSURING PARTY has taken all necessary measures to eliminate the consequences of the event.

1. Under this clause **no compensation is provided** for damages:

- a) consisting in expenses for food, consumables, additional services, charges;
- b) where temporary accommodation is provided by state/municipal authorities and organisations within the framework of activities of assisting citizens and restoring damages in case of natural disasters.

2. Special requirements under Clause “Expenses for temporary accommodation”:

a) coverage under this Clause is provided only in case of occurrence of damages to the main dwelling of the INSURED which serves to satisfy the residential needs of the person and the members of his/her family/household, which is inhabited and used permanently and throughout the year;

b) the coverage shall apply on condition that the INSURER has been notified of the event within the term under these General Terms and Conditions, the INSURER has inspected the damaged housing and established the need of its temporary leaving by the INSURED and the members of his/her family/household for the performance of repair and restoration works. The location for temporary accommodation shall not exceed in accommodation amenities and basic features the damaged insured housing;

c) in order to prove the grounds and amount of the damage, in addition to the documents, data and additional evidence stipulated herein, the INSURED shall provide the INSURER with documents for the costs incurred at the expense of the INSURED (for example: rental contract, hotel invoices).

## **“D17” CLAUSE – “LOSS OF RENTAL INCOME”**

**Definition and characteristics** of the risk covered:

The INSURER shall provide insurance coverage for the loss of rental income received by the INSURED/INSURING PARTY, in connection with providing the insured immovable property (for objects such as apartment/ house/ villa - designed for living) to a third party for temporary use, which loss is due to the objective impossibility to use the immovable property for the purposes for which it has been rented or according to its intended purpose due to direct material damages caused to it, as a result of an occurred insured event by a risk covered under the policy.

Under this clause **no compensation is provided** for the following damages:

- a) subject to compensation according to the terms and conditions for insuring financial risks (loss of rent);
- b) consisting in compensations, penalties and sanction payments due between the parties to the rental contract in relation to default of their obligations under the rental legal relationship;

- c) in case non-payment of the rental price by the tenant is due to reasons that are beyond the objective impossibility to use the property, including insolvency of the tenant, guilty non-performance of his/her obligations under the rental contract, causing damage to property as a result of actions of the tenant or of persons admitted to the property with his/her knowledge or consent;
- d) where the tenant performs his/her obligation to pay the rental price and during the period in which there is impossibility to actually use the insured property;
- e) for costs of the INSURED the INSURING PARTY associated with renting out the insured immovable property.

**2. Special requirements under Clause “Loss of income”:**

- a) coverage is provided on condition that the immovable property, subject of the rental contract has been insured by the INSURER under these General Terms and Conditions;
- b) the INSURER’s liability shall be limited to the liability limit recorded in the policy for all events during the duration of the insurance, for a term of up to 3 months, monthly – up to the amount of the agreed monthly rental price;
- c) upon conclusion of the insurance the INSURED/INSURING PARTY shall provide the INSURER with a copy of an effective rental contract whose subject is the insured property;
- d) damages shall be established by presenting the relevant to the specific case evidence ascertaining the loss of rental income for the INSURED/INSURING PARTY, including for the termination of the rental contract due to objective impossibility to use the property.

**D18 CLAUSE – “PORTABLE ELECTRONIC EQUIPMENT**

**Definition and characteristics of the risk covered:**

Covered shall be only direct material damage to portable electronic equipment owned/used on legal grounds by the INSURED/ INSURING PARTY - mobile phones, tablets, laptops or photo cameras/cameras - occurring on the territory of the Republic of Bulgaria outside the address recorded in the insurance contract as the address of the insured property as a result of an insured event under Clauses “Fire+”, “Natural disasters”, “Water leakage”, “Short circuit”, “Theft” (KGT).

1. Under this clause **no compensation is provided** for damages:

- a) caused by dropping or soaking, which is not covered under Clauses “B” and “D2”;
- b) to equipment used for business (services, trade, production, etc.).

**2. Special requirements under Clause “Portable electronic equipment”:**

- (a) upon occurrence of an insured event the equipment must be located in a building with a solid/semi-solid structure provided with a minimum of locking devices and metal and/or reinforced doors and/or bars;
- (b) costs for diagnosis and repair in case of a claim shall be covered only for the territory of the Republic of Bulgaria.

**KGT – “Theft” CLAUSE**

**Burglary, robbery and theft committed by using a technical device**

**Definition and characteristics of the risks covered:**

**Burglary (K)** is taking away the insured property from the INSURED/INSURING PARTY’s possession without his/her consent with the intention to illegally appropriate it, in the case it is performed through breaking into a building, expressed in the destruction, damaging or undermining of barriers (walls, ceilings, floors, doors, windows, locking devices) solidly made for protection of the insured property;

**Robbery (G)** is:

- taking away the insured property from the INSURED/INSURING PARTY’s possession with the intention to illegally appropriate it, where the perpetrator uses force or threat against the INSURED/INSURING PARTY or a person present. “Threatening” means endangering with such an immediate act which exposes to severe danger the life, health, honour or property of the threatened person;
- where for taking away the belongings, the INSURED/INSURING PARTY or a person present have been brought unconscious or in a helpless state;
- every theft where the perpetrator at the crime scene uses force or threats in order to keep the possession over the stolen properties.

**Theft committed with the use of technical device or in special manner is:**

- expropriation of the insured property from the possession of the Insured/Insuring party without its consent, with the intention to illegally appropriate when it was performed with the use of technical means or in special manner;
- technical means is every work of technology or every item that after being activated and taking advantage of the natural laws, is being used for overcoming hindrances and facilitates the access to other people’s items/properties;

- the theft was performed in special manner if for committing it the wrongdoer uses special skills and agility, which the ordinary people do not possess, the manner used by him/her is unusual and significantly differs in view of its psychic-physical features.

Under the present Clause no damages **are to be indemnified** as a result of:

- expropriation of properties that have not been stored in individually outlined premises of massive or semi-massive buildings that are not being used (inhabited) by the Insured/Insuring Party around the year. This is not in effect for properties that because of their nature could not be stored inside buildings (premises) as long as the necessary measures have been undertaken in order to protect them and are provided with due enclosure/permanent fixation and/or 24-hour physical security;
- shortage of properties of non-established reason, including the ones established during the inventory-taking, revision;
- staging insured event;
- committing theft after passing through unlocked doors, non-closed windows and non-protected passage locations of the building (premise);
- committing theft with original key or duplicate designated for the same lock/keyhole;
- event if as of the date of its performance the doors, windows (including the shop-windows) or the building openings (premise) are not provided with at least the security measures and locking devices declared by the Insured/Insuring party at the time of entering the insurance or the latter were not locked, activated or fit;
- event if as of the date of its performance the building (premise) where the insured property was located was unusable (uninhabited), left without supervision or security for more than 30 consecutive days, except for with the consent of the Insurer expressed in writing or if the building (premise) was secured/safeguarded via operational signal-security system placed onto centralized panel;
- performed manipulations via unauthorized access or misuse of electronic systems for data processing or if the theft has occurred as a result of software or technical failure of the electronic equipment;
- occurrence of damage during or after the insured event covered under the other clauses of the present General terms and conditions;

**Under the clause “Theft” (KGT)** no pipelines and cables are insurable.

## **TPL – “THIRD PARTY LIABILITY” CLAUSE**

**Definition and characteristics** of the risk covered:

The INSURER shall cover the civil liability of the INSURED/INSURING PARTY for damages caused to third parties as a result of occurrence of an insured event under clauses “Fire+” and “Water leakage” (if included in the insurance contract coverage).

The scope of insurance protection shall include all amounts which the INSURED/INSURING PARTY is legally obligated to pay for material and non-material damage to third parties and for loss of profit, which are direct and immediate consequence during the duration of the insurance of occurrence of bodily injury (incl. death, illness or disability) and/or damage or loss of movable and immovable belongings.

Damages shall be indemnified on the basis of claims brought in writing to the INSURED/INSURING PARTY or the INSURER through the court or extra judicially not later than 5 years after the date of occurrence of the insured event.

The amount of compensation for property damage is determined at actual value. The limit for all events represents the maximum amount which the INSURER will pay as indemnity for damages that occurred as a result of all insured events during the period of insurance.

Where the INSURED/INSURING PARTY is a physical person, covered also is the liability of the members of his/her family or household living at the address of the insured property.

This Clause **does not cover liability** of the INSURED/INSURING PARTY arising from:

- Bodily injury (incl. death, illness or disability) and/or loss or damage to movable property of members of the family and/or the household of the INSURED/INSURING PARTY.
- Damage to property owned by third parties, for which the INSURED/INSURING PARTY bears liability or uses by virtue of a contract and/or other legal grounds.

## **“ACCIDENT” CLAUSE**

**Definition and characteristics** of the risks covered:

The INSURER shall cover the risks specified in item 1. of this clause by insuring the persons living in the same household and registered as of the date of entry into force of the insurance contract/annex with a permanent or current address, specified in the insurance contract as “address of the insured property”. “Household” shall mean the persons irrespective of kinship relationship between them, living together in an individual dwelling. The insurance is valid in the territory of the Republic of Bulgaria and abroad.

## 1. Risks covered and manner of determining insurance compensation:

1.1. Death due to an accident – the sum insured specified under the clause shall be paid to the legal heirs of the insured.

1.2. Disability due to an accident – the insured person shall be paid a percentage of the sum insured equal to the percentage of disability determined by the Central Insurance Medical Commission (CIMC) of DZI - General Insurance JSC. The percentage is determined on the grounds of the following internal regulating documents: INSTRUCTION for insurance and medical expertise of permanent loss of working capacity for persons injured in an accident; GUIDELINES for applying the Scale for traumatic illnesses and injuries, for which a percentage of permanently lost or reduced working capacity resulting from accident is specified; Scale of traumatic illnesses and injuries, for which a percentage of permanently lost or reduced working capacity resulting from accident is determined.

1.3. Temporary disability resulting from an accident - the insured person shall be paid a percentage of the sum insured, depending on the duration of the temporary disability as follows:

1.3.1. over 40 days up to 60 days - 10% of the amount of the sum insured under the clause shall be paid, but not more than 500 BGN.

1.3.2. over 60 days up to 90 days - 12% of the amount of the sum insured under the clause shall be paid, but not more than 600 BGN.

1.3.3. over 90 days - 15% of the amount of the sum insured under the clause shall be paid, but not more than 750 BGN.

The INSURER shall pay amounts for temporary disability due to an accident provided that the temporary disability occurs for the first time within one month from the date of the accident and for a second time within three months from that date.

The beginning of temporary disability must be within the insurance year and must last without interruption.

### DISABILITY (PERMANENT DISABILITY OR TYPE AND DEGREE OF DISABILITY)

- permanent disability is permanently reduced working capacity or total disability to perform normal work activities due to an accident;

- type and degree of disability is a condition of chronic traumatic impairment where the person not in working age has sustained permanent functional deficit of the respective impaired organ or system.

TEMPORARY DISABILITY is partially reduced or total disability to perform normal work activities for a certain period of time due to an accident as a result of which the INSURED/INSURING PARTY actually uses leave of absence for temporary disability. Temporary disability for students is their impossibility to attend classes in educational and childcare facilities. The insurer does not pay any indemnity for temporary disability due to an accident occurring during the summer school vacation.

Depending on whether the insured person is insured under the Social Security Code, determination of the duration of temporary disability shall be based on:

- the presented sick leave certificate – the primary certificate, while for all other sick leave certificates issued without interruption - a copy certified by the employer with “true to the original” – and with affixed signature and seal for persons who are insured.

- the assessment made by an expert doctor of DZI based on all presented medical documents for unemployed persons, housewives, self-employed persons, etc.

SUM INSURED is the amount selected by the INSURED/INSURING PARTY and specified in the insurance contract as such under clause “ACCIDENT”, and it is defined as a total limit for all the persons in the household. The INSURER shall indemnify the INSURED/INSURING PARTY and the members of his/her household up to the total sum insured as specified in the insurance contract. If the sum insured under this clause is exhausted as a result of one or more payments made in connection with any of the covered risks, the effect of clause “ACCIDENT” shall be suspended as from the date of payment of the last claim.

**ACCIDENT** is any event resulting in death or bodily injury of the insured person as a result of unforeseen and sudden effects of external origin which the insured person has not intentionally self-inflicted. The unpredictability is presumed until proven otherwise.

**NOT CONSIDERED AS ACCIDENT** are consequences incurred as a result of or resulting from:

a) occupational diseases;

b) proven existing diseases or suddenly occurring medical conditions, physical or mental;

c) bodily injury caused by temperature influences (frostbite, sunburn, sunstroke or heatstroke), except in cases of addressing the effects of an accident;

d) medical manipulations (incl. injections, immunisations, vaccinations), interventions, operations, general and local anaesthesia, chemotherapy, radiotherapy and other treatments as well as damage to health due to ongoing treatment;

e) use of alcohol, drugs, opiates, stimulants, doping and other psychotropic substances;

f) diseases that are in causal connection with an accident.

## **2. The INSURER shall be released from its obligations under this clause in the following cases:**

- 2.1. Suicide or attempted suicide and any other intentional acts of the INSURED/INSURING PARTY that have caused bodily injuries or death /with the exception of the cases when trying to save human life/;
- 2.2. Intentionally committing or an attempt to commit a crime of general nature;
- 2.3. Death occurred as a result of execution of a death penalty imposed by an enacted verdict;
- 2.4. Earthquakes;
- 2.5. War, war actions, civil unrest or terrorist acts;
- 2.6. Radioactive incidents;
- 2.7. Use of alcohol, drugs, opiates, stimulants, doping and other psychotropic substances and the resulting damage to health (including accidents, road traffic incidents, trauma and injuries);
- 2.8. Temperature influences (freezing, sunburns, sunstroke or heatstroke), insofar as they are not caused in the process of addressing the consequences of an accident;
- 2.9. Intentional acts of a person who is entitled to receive the entire or part of the insurance payment;
- 2.10. Pregnancy – normal and pathological, miscarriage and abortions, infertility, birth, as well as the complications resulting from them, unless in casual connection with an accident;
- 2.11. Other events occurring as a result of intentionally caused by the INSURED fight, intentional self-injury or conscious exposure to danger, except in cases of self-defence, saving human life or property;
- 2.12. Exercise of dangerous sports, mountain climbing or rock climbing, speleology, gliding, deltaplanerism, parachuting, diving, water-motor sport, motoring and motorcycling, performing stunts, etc.
- 2.13. Travels by air transport if the requirements were not satisfied for having the insured on board as a regular traveller with a ticket, on board of licensed airline that operates regular air carriages along established routes or travels by charter aircrafts of licensed air carriers, operated by a professional crew between established and well-maintained airports.

## **3. Under this clause not insured are:**

- a) minors or persons under judicial disability with coverage for death.
- b) persons over 70 years of age as of the date of conclusion of the insurance.
- c) persons with disability above 50%;
- d) persons who as of the date of entry into force of the insurance contract/annex are not registered with a permanent or current address at the address of the insured property specified in the insurance contract/annex.

## **4. Relations between the parties upon the occurrence of an insured event**

- 4.1. For payment of amounts in individual insurance cases the following documents must be submitted:
  - 4.1.1. for each event: an Application Form of the INSURER and a copy of the identity card of the insured person where the address of the insured property is specified/Certificate of current address;
  - 4.1.2. in case of death of the INSURED – a transcript of the Death Certificate, DEATH NOTIFICATION, documents certifying the reasons and circumstances under which the death of the INSURED has occurred; certificate of inheritance;
  - 4.1.3. in case disability resulting from accident - documents certifying the reasons and circumstances under which the accident has occurred; medical documents, certifying: first aid given, established traumatic injuries, conducted treatment and status of injuries immediately before certification by the Central Insurance Medical Commission (CIMC); decision of CIMC;
  - 4.1.4. in case of temporary disability resulting from accident - documents, certifying the reasons and circumstances under which the accident has occurred; medical documents, certifying: first aid given, established traumatic injuries and conducted treatment; sick leave certificates (in case the INSURED is insured under the Social Security Code) for the duration of the temporary disability; a certificate of absence from school classes (if the insured person is a student);
  - 4.1.5. bank account of the insured person;
  - 4.1.6. For persons under 18 years of age under all risks presented shall be:
    - a copy of the identity card of one of the parents where the address of the Insured can be seen/Certificate of current address;
    - Birth certificate;
    - Bank account of the person, if any, and if there is no such account opened – the bank account of one of the parents.
- 4.2. If the documents presented upon the filing of the claim are not sufficient to prove indisputably the insured event and the damage caused thereby, respectively the amount of the sum due, the INSURER shall be entitled to request the presentation of additional proof.
  - 4.2.1. Notification of the need for presentation of additional evidence shall be at the latest 45 days from the date of registration of the claim.

4.2.2. Where the necessary evidence under a claim filed with the INSURER are held by state authorities and by third parties (the bodies of the Ministry of Interior, investigating, judicial or other government authorities, medical and health institutions, personal physician), the INSURER shall be entitled to request them – through the beneficiary or directly, even when they represent a secret protected by law, in the manner provided for in the Insurance Code.

## **“SOS FOR HOME” CLAUSE**

To the coverage for „Comfort for Home“ insurance and against payment of an additional insurance premium, DZI – General Insurance JSC through its contractual partner – the Assistance Company, shall provide 24-hour assistance to the Insured and/or a member of his/her family/household in case of an emergency situation occurring at the address of the insured property.

The coverage shall be provided on the territory of the Republic of Bulgaria, and for the cities of Sofia, Plovdiv, Varna, Bourgas, Stara Zagora, Rousse, Veliko Tarnovo, Blagoevgrad, Pernik and Vratsa an emergency situation service shall be provided by a specialized technician.

In case the address of the insured object is located outside the cities mentioned above, DZI – General Insurance JSC shall cover the costs incurred by the Insured to remedy the emergency situation based on a notification filed of the insured event occurred and submitted original invoices for the performed repair.

### **Scope of coverage**

Under this clause services shall be provided or compensation shall be paid in the event of an emergency occurring in the insured object. Coverage shall be limited to 5 /five/ insured events in total for all risks under this clause occurring in one insurance period of the insurance „Comfort for Home“.

#### **1. Emergency repairs – necessary for rendering the insured object safe and providing its conditions for habitation**

The purpose of the emergency repair is to make the insured object safe and fit to live in.

**1.1. Plumbing services** – emergency repairs to remove damage to the plumbing system including steam heating pipes caused by pipe breakage, sudden water leakage, flooding or stopping of the running water of the insured residential object between the internal master turncock and the internal taps. Covered shall be only damages caused to open and visible pipes located in the insured residential object.

The provision of plumbing services shall be limited to 2 (two) insured events occurring in one insurance period.

1.1.1. Limit of liability – BGN 120 (one hundred and twenty) or their equivalent in EUR for each event, including VAT, expenses for the visit of the specialized technician, labour, parts and materials.

##### 1.1.2. Special exclusions

- a) Leakage of water from a dripping tap/nozzle or another part of the plumbing system, where the water runs freely into the sewer and cannot cause damage;
- b) Replacement of external spillways, water heaters, hot and cold water storage tanks, radiators, tubs and sanitary equipment including taps, spiral hoses, sinks and basins and/or any other equipment/ spare parts;
- c) Repair or replacement of water heaters;
- d) Breakage or water leakage from soft connections, as well as failure of or damage to household electrical appliances such as dishwashers and washing machines;
- e) Septic reservoirs and swimming pools;
- f) Repair or replacement of pipes located outside the address of the insured property;
- g) Partially frozen pipes;
- h) Expenses for survey and access to find the cause of the emergency situation;
- i) Repair that is not technically possible due to the condition of the plumbing system;
- j) Influence of natural climatic conditions, moisture, condensate, corrosion.

**1.2. Electrical services** in the absence of electricity in one or more premises of the insured residential object – detection of the reason for the power failure that has occurred after the main electric meter panel and the emergency repair with a view to its restoration. Emergency electrical services shall be provided even if the damage is outside the insured residential object, for example in the common parts of a multi-storey building.

The provision of electrical services shall be limited to 2 (two) insured events occurring in one insurance period.

1.2.1. Limit of liability – BGN 120 (one hundred and twenty) or their equivalent in EUR for each event, including VAT, expenses for the visit of the specialized technician, labour, parts and materials.

##### 1.2.2. Special exclusions

- a) Repair of lighting fixtures or components thereof, for example: chandeliers, pendants, lamps, lampions, lampshades, cables, glass.

- b) Bulb replacement;
- c) Repair of heating, electrical or any other appliances working with electricity;
- d) Change of the mains voltage to values other than the nominal/optimal parameters;
- e) Any problem that may be due to a malfunctioning of the utility grid or an interruption of the power supply that is not due to damage to the electrical installation of the insured object;
- e) Repair that is not technically possible due to the condition of the electrical installation.

**1.3. Locksmith services** – emergency repair aiming to limit the access to the insured residential object by replacing locks in case the:

- a) keys have been lost or stolen, or
- b) in the case of damage to the locking mechanism of the external doors of the insured housing, or
- c) the keys of the external doors or windows have been damaged as a result of vandalism, theft or attempted theft, thus making the insured object unprotected and unsafe.

**Upon the occurrence of an insured event for which, under the terms and conditions of the concluded insurance contract „Comfort for Home“ coverage has been provided also for the risk „Other expenses /OE/ - for replacement of external locks in the case of lost and stolen key“, indemnification under “OE” shall be done upon exhaustion of the limit for Locksmith services.**

The provision of locksmith services shall be limited to 2 (two) insured events occurring in one insurance period.

1.3.1. Limit of liability – BGN 120 (one hundred and twenty) or their equivalent in EUR for each event, including VAT, expenses for the visit of the specialized technician, labour, parts and materials.

1.3.2. Special exclusions

a) Any damage associated with damage to locks of additional buildings separated from the main building and separate garages, as well as loss/theft of keys for them.

**1.4. Glass services** – emergency repair for replacement of a broken glass panel in the case of broken glass of an external window or door, which questions the security of the insured object. In case the replacement value exceeds the insurance limit, for the repair temporary material shall be used – plexiglass or other similar material, in order to limit the immediate risk to the security of the insured object.

The provision of glass services shall be limited to 2 (two) insured events occurring in one insurance period.

1.4.1. Limit of liability – BGN 120 (one hundred and twenty) or their equivalent in EUR for each event, including VAT, expenses for the visit of the specialized technician, labour, parts and materials.

1.4.2. Special exclusions

a) Any damage to doors and windows of additional buildings separated from the main building and separate garages.

b) Double-glazed windows where one glass is broken but the other glass has preserved its integrity, the insured object thus being protected and safe.

**1.5. Drainage** – emergency repair related to the blockage of the waste pipes or damage to the waste pipes of the Residence causing a blockage or a waste water leak, such as:

a) Blocked sinks, blocked or leaking waste pipes, along with rainwater drains;

b) Blocked bath, toilets or external drainage, even though there is another working toilet or bathing facility at the address of the insured property;

c) Blocked or leaking soil vent pipes, located at the address of the insured property, being owned by the Insured.

The provision of drainage services shall be limited to 2 (two) insured events occurring in one insurance period.

1.5.1. Limit of liability

a) 120 (one hundred and twenty) BGN or their equivalent in EUR for each event, including VAT, expenses for the visit of the specialized technician, labour, parts and materials.

b) All expenses, higher than the above mentioned limit of indemnity, as any other expenses, shall not be covered by the Insured.

1.5.2. Special exclusions

a) Repairs of drainage or sewerage pipes that are ownership of the competent Water-supply and sewerage company, even if these are located at the address of the insured property;

b) Repairs, replacement of sewerage shafts, septic landfills and septic reservoirs (clean-up or emptying), septic landfills, wastewater treatment plants and their outlets, culverts and gutters;

c) Repairs of drainage or sewerage pipes that are not being regularly cleaned up or with limescale deposits;

d) partially clogged pipes;

e) Repairs or unclogging drainage or sewerage pipes that are being used for commercial purposes;

f) Accessing the points of entering the drainage systems (such as shaft covers) if these were upgraded;

g) Repairs of the sewerage system because of damages in the installation or inaccurate use of the sewerage system (such as throwing away wipes/baby wipes in the sewerage system, cooking oil or fat).

- a) Repairs to drains that are the responsibility of the local water authority (even if they are within the boundaries of the Residence);
- b) Repairing, replacing manholes, soak ways, septic tanks (clearing or emptying), cesspits, treatment plants and their outflow pipes, guttering and downpipes
- c) Repairs to drains that are not regularly cleaning or de-scaling
- d) Removing, replacing or repairing any part of the drain which is damaged but does not result in the total blockage of the drain;
- e) Repairing or unblocking drains which are used for commercial purposes;
- f) Making access to drain systems points of entry (such as manhole covers) if these have been built over;
- g) Drain clearance due to installation faults or misuse of drains such as flushing baby wipes down the drain, grease or cooking oil

## **2. Urgent return to the insured object**

This clause shall cover the Insured's expenses incurred for his/her return to the insured dwelling by transport specified by the Assistance Company – personal or public (land, rail, water or airplane), when he/she is more than 200 kilometres away from it at the time when an emergency situation has occurred due to fire, damages resulting from breakdown or leakage of pipes, malicious actions of third parties, vandalism or theft on the territory of the insured dwelling, and the Insured cannot return in accordance with his/her original plan and schedule for travel. The coverage shall also be valid when the Insured is located outside the borders of the Republic of Bulgaria.

Should returning to the residence by a personal car is the best option for the Insured, the Insurer shall bear the cost of such a travel (incl. fuel and tolls costs). Such expenses shall be covered upon receiving original receipts and provided that have been occurred within seven (7) days from the Emergency in the Residence.

In addition, this clause shall cover the cost of travel back and transportation to the insured address of the Insured's vehicle in case he/she has been traveling by car and due to an emergency situation occurred he/she has had to return urgently by another type of transport.

Urgent return to the insured dwelling shall be provided for one insured event occurring in one insurance period.

### **2.1. Limit of liability:**

- a) BGN 1 000 (one thousand) or their equivalent in EUR per event – the Insured's expenses necessary for his/her return to the insured residential object;
- b) BGN 300 (three hundred) or their equivalent in EUR per event – the Insured's expenses necessary for his/her return to the insured residential object with personal car;
- c) BGN 1 000 (one thousand) or their equivalent in EUR per event – expenses under the additional cover for travel back and transportation of the Insured's vehicle to the address of the insured residential object.

## **3. Costs for the purchase of essential necessities in case of emergency situation**

As a result of an emergency situation due to fire, damages resulting from breakdown or leakage of pipes or theft occurred in the insured dwelling, in the case of a proven need and against presentation of invoice, the Insured's costs shall be covered for the purchase of essential necessities (such as clothes, coverlets, toiletry, etc.).

The cover for the purchasing of essential necessities in an emergency situation shall be provided for one insured event occurring in one insurance period.

### **3.1. Limit of liability – BGN 600 (six hundred) or their equivalent in EUR.**

The Insured shall be entitled to receive in advance up to BGN 300 (three hundred), provided that he/she accepts in writing the conditions for an advance payment provided to him/her upon filing the insurance claim. He/she shall be obliged to submit to the Insurer the invoices to justify the effected advance payment within 10 days of the date of occurrence of the event. In the event that he/she is unable to present them, the Insured shall be obliged to refund the amount received in advance.

## **4. Insurance premium**

The insurance premium under this clause shall be determined for a term of one year and shall be paid as a single payment together with the premium under the property insurance „Comfort for Home“ or with the first instalment thereof.

## **5. General exclusions**

**Under this clause, the following losses and emergency situations shall not be indemnified:**

- 5.1. Repair, if the Insured does not provide access at an appropriate time or prevents the access of a specialized technician to the insured object, does not assist and/or prevents the execution of the repair activities.
- 5.2. Any damage resulting from a breakdown for which the Insured knew prior to the start date of the insurance policy.
- 5.3. Interruption or failure of the major networks, equipment or services that are within the responsibility of the electricity and water suppliers.
- 5.4. Any defect, failure or damage caused by:
  - 5.4.1. Alteration, modification or attempted repair of any parts of the insured object by the Insured and/or by an unauthorized specialist selected by the Insured, resulting in damage to parts of the insured object;
  - 5.4.2. Non-compliance with regulatory and/or technological requirements and established standards;
  - 5.4.3. Malicious or intentional acts, misuse or negligence on the part of the Insured and/or a technician selected by him/her.



- 5.5. Any breakdown that could have been foreseen and for which the specialized technician establishes to have been caused by negligence or improper maintenance.
- 5.6. Any loss or damage arising from problems with the structure of the insured object, as a result of sinking/subsidence, unauthorized construction of a new structure or completion of the existing structure, demolition or change of the insured object or use of defective products.
- 5.7. All repair costs that are covered by the warranty of the manufacturer, supplier or by the person installing and/or maintaining the insured property.
- 5.8. The normal daily maintenance of the insured object to be carried out by the Insured, as well as the replacement of parts that are worn for a certain period of time or the replacement of parts with similar ones in cases where the replacement is necessary to resolve the immediate emergency situation.
- 5.9. If the Insured has performed restoration works for which he/she cannot prove to have been performed by a competent specialist or by the specialists of the water and electricity suppliers.
- 5.10. Repairs, parts and services shall not be covered until the Insurer has been notified by the Insured or by a person acting on his/her behalf through the 24-hour Customer Service Centre.
- 5.11. Expenses for survey and ensuring access to identify the cause of the emergency.
- 5.12. In the event that health, hygiene and sanitary norms, safety measures or provisions after performance of risk assessment in the insured residential object prevent the specialized technician from performing any activities therein.
- 5.13. Any loss or damage arising as a consequence of war, invasion, acts of foreign enemies, terrorism, hostilities (whether war has been declared or not), civil war, rebellion, revolution, uprising, coup d'etat or civil unrest and other acts that undermine the country's internal security or public order; ionizing radiation or radioactive contamination by nuclear fuel or by nuclear waste resulting from the combustion of nuclear fuel, radioactive toxic explosives or other hazardous properties of the nuclear mechanism or its nuclear components.
- 5.14. Any damage resulting from an earthquake, volcanic eruption, flood, lightning and other natural phenomena.
- 5.15. Expenses that are not related to the coverage under this clause or that have not been approved by the Insurer through the Assistance Company.

#### **Relationships between the parties**

#### **6. Obligations of the Insured**

To receive assistance or reimbursement of costs as provided under the conditions of the clause „SOS for Home“, the Insured or a person authorized by him/her or a member of his/her family/household shall be obliged:

- 6.1. to contact the Assistance Company at the telephone number of the Contact Centre for Customer Service as specified in the insurance policy and notify of the emergency situation upon its occurrence or upon becoming aware of its occurrence;
- 6.2. to provide the Assistance Company with the following information:
- a) the policy number, full name and PIN of the Insured under the insurance policy;
  - b) full accurate address of the insured object;
  - c) a brief description of the situation and the necessary type of assistance;
  - d) a contact telephone so that the Assistance Company can keep him/her informed of the actions to be taken and a contact telephone of a person to give access to the object if it is missing;
  - e) an e-mail address for subsequent communication with him/her by a specialist in claim handling;
- 6.3. to follow the instructions of the Assistance Company;
- 6.4. to render assistance to the specialized technician sent in the cases where this assistance is provided in the respective city.
- 6.5. to provide original receipts to the Insurer, proving the expenses' amount in case of an urgent return to the insured object with a personal car.
- 6.6. The Insurer shall have the right to refuse to pay or to reduce the amount of compensation for damages that have occurred or increased as a result of failure by the Insured or a member of his/her family/household to comply with the instructions of the Assistance Company or at preventing removal of the emergency by the specialized technician sent.

#### **7. Obligations of the Insurer**

Under this clause, the Insurer's obligation shall be:

- 7.2. upon the occurrence of an insured event covered by this clause, through the Assistance Company to provide the Insured with:
- 7.2.1. obtaining compensation for damages suffered provided for under these Terms and Conditions, or
  - 7.2.2. receiving emergency removal assistance from a specialized technician – emergency repair.

#### **Definitions**

**Insured:** The owner of the immovable property for which an insurance contract (the insurance) „Comfort for Home“ has been concluded and/or a member of his/her family or a person living with him/her in the same household at the insured address.

**Insured object:** a residential building or parts thereof – a house or apartment located at the address recorded in the insurance policy as the address of the insured property, including adjoining garages which are not separate buildings. The insured object must be used in accordance with its intended purpose. Coverage under the clause shall be for the whole country and a 24-hour service by a specialized technician shall be provided for the cities: Sofia, Plovdiv, Varna, Bourgas, Stara Zagora, Rousse, Veliko Tarnovo and Blagoevgrad.

Individual garages, gardens, sheds, greenhouses and other buildings shall not be subject to insurance.

**Emergency situation:** A sudden and unpredictable incident that:

- a) Creates a risk of loss or damage to the insured object and/or the belongings of the insured;
- b) Requires an immediate repair to prevent further damage to the insured object;
- Makes the insured object impossible for habitation and unsafe.

**Emergency repair:** Work performed by a specialized technician to resolve the emergency by taking immediate and temporary measures.

**Specialized technician:** A person who possesses the necessary skills and professional qualifications, who is registered as a trader and to whom the Assistance Company or the Insured have assigned the performance of the specific repair works in the insured object.

*These General Terms and Conditions are effective from 1998, amended and supplemented on 26 June 2003, amended and supplemented on 28 December 2006, effective from 01 June 2007, amended and supplemented on 25 August 2008, effective from 15 September 2008, amended and supplemented 16 December 2013, effective from 04 March 2014, amended and supplemented on 17 August 2015, effective from 15 September 2015, amended and supplemented on 21 March 2016, effective from 01 April 2016, amended and supplemented on 29 August 2016, amended and supplemented on 27 February 2017, effective from 01 March 2017, amended and supplemented on 27 November 2017, effective from 01 February 2018, amended and supplemented on 12.03.2018, effective from 30.03.2018, amended and supplemented on 01.10.2018, effective from 01.11.2018, amended and supplemented on 16.12.2019, in effect from 01.02.2020, amended and supplemented on 23.09.2022, in effect from 20.10.2022.*

Dated:.....

On behalf of DZI – General Insurance JSC:.....

I declare that I received the present General terms and conditions signed by DZI – General Insurance JSC, I am aware of their contents and accept them.

Insuring party/Insured: .....

.....  
(Name, father's name, surname, signature)