

GENERAL CONDITIONS

for insurance of property

BURGLARY

I. SUBJECT MATTER INSURED

Under the present General Conditions "Allianz Bulgaria" Ins & Re jsc, hereinafter referred to as "Insurer", insures movable property being owned or under the responsibility of the person mentioned in the policy and hereinafter referred to as "Insured", while subject property is insured against fire and natural perils with the Insurer.

II. INSURANCE COVER

1. Subject to indemnity under this insurance are loss of or damage to or expenses related to insured property representing direct result of:
 - 1.1. burglary as defined in Art. 195 line 1 p. 3 of the Bulgarian Criminal Code;
 - 1.2. damage caused by the burglars while breaking in (incl. to walls, doors and locking devices) up to a limit of 10 % (ten per cent) of the total Sum Insured but not exceeding 1.000 BGL (one thousand Bulgarian Leva).
2. Providing written agreement between the parties mentioned in the policy or endorsed thereon and against additional premium paid the cover can be extended to include also loss, damage and/or expense representing direct result of:
 - 2.1. theft with technical device in the meaning of Art. 195 line 1 p. 4 of the Bulgarian Criminal Code;
 - 2.2. robbery as defined in Art. 198 of the Bulgarian Criminal Code.
3. The parties can agree on cover not mentioned under p. 1 and 2 if it is related to the subject matter insured.
4. **Exclusions –**
Under this insurance are not subject to indemnity loss, damage or expense resulting from:
 - 4.1. the mentioned under p. 2, if the cover is not agreed in written;
 - 4.2. intentional acts of the Insured or the Beneficiary as per Chapter III, p. 6, and/or their connected persons in the meaning under the Law on Commerce;
 - 4.3. any act or inaction performed with gross negligence by the Insured or the Beneficiary as per Chapter III, p. 6, and/or their connected persons in the meaning under the Law on Commerce, while the respective person has been in position to foresee and prevent the occurrence of insured event and/or to reduce the loss due to insured event but has not taken the due care therefor;
 - 4.4. shortages of property (incl. discovered at making of inventory) with unknown reason;
 - 4.5. losses caused by persons which with the consent of the Insured or his connected persons in the meaning under the Law on Commerce are admitted to the insured property or inhabit premises containing insured property;
 - 4.6. loss of cash, securities, jewelry and other items of gold, silver, platinum and precious stones, philately and numismatic collections, unless when stored in a metal safe with weight of more than 200 kg which has been broken by the burglars]
 - 4.7. loss of income, commercial loss, depreciation, inactivity, delay, penalties, demurrage, interests, exchange rate differences (except these following Chapter VIII, p. 11), changes in prices and state receipts, and other indirect or consequential loss of whatever nature;
 - 4.8. war or warlike action (no matter whether a war is declared or not), strikes, civil commotion, rebellion, insurrection, acts of terrorism and sabotage, and other acts with political, ideological, religious and/or social motivation;
 - 4.9. expropriation, confiscation, nationalization, entering into force of any law or regulation, and/or imperative order of authorized body, fines and sanctions;

III. CONCLUSION OF THE INSURANCE

1. The insurance is concluded based on written proposal of the Insured wherein the latter is obliged to state all considerable circumstances which are known or providing due care should be known to him and are important for risk evaluation.
The Insurer is entitled to carry out a survey of the property proposed for insurance.

2. The insurance is concluded in the form of insurance policy an integral part of which are the Insured's proposal, the General Conditions of the insurance, Special Conditions, endorsements and other written agreements between the parties, if any.
3. The insurance is in force after signing of the policy by both parties and providing insurance premium paid as agreed therein.
4. The insurance cover applies only to property located at the address mentioned in the policy.
5. Necessary condition for the validity of the insurance is the existence of insurable interest as at date of its entering into force.
Under insurable interest are understood ownership, contract or other legal relation by virtue of which the Insured would incur losses at occurrence of insured event.
6. The insurance can be concluded in favour of third party having insurable interest by virtue of contract with the Insured (incl. for granting of loan or of property under operative or financial leasing) and/or other legal relation.
7. In case of ascertained false statement or non-disclosure on the part of Insured of circumstances under which the Insurer would not conclude the insurance or would conclude it under different conditions the latter is entitled to:
 - 7.1. In case of intentional false statement or non-disclosure - to request for changes in the insurance conditions (incl. limitation of the cover and/or additional premium), to cancel the insurance and/or to refuse indemnity with observance of Art. 384 of the Law on Commerce.
 - 7.2. In case of unintentional false statement – to request for changes in the insurance conditions, to cancel the insurance and/or to reduce indemnity with observance to Art. 385 of the Law on Commerce.

IV. SUM INSURED

1. The Sum Insured is established in Bulgarian Leva or in free convertible currency in a way described in the policy and taking into consideration the actual value of the property.
2. **Over-insurance.**
If the Sum Insured of the whole or of part of the property is higher than its actual value then the Insurer is not liable for the excess over the actual value.
3. **Under-insurance.**
 - 3.1. If the Sum Insured of the whole or of part of the property is lower than its actual value then the Insurer owes indemnity only for part of the losses proportionate to the ratio between the Sum Insured and the actual value.
 - 3.2. If the Insurance is concluded on "first risk" basis then the liability of the Insurer is for the full amount of the losses but only these resulting from the first insured event during the policy period and not exceeding the Sum Insured of the damaged property.
4. If an indemnity for partial loss is paid and except in case of additional reinstatement insurance for the remainder of the policy period then the Sum Insured of the damaged property is reduced with the amount of the paid indemnity and the condition "first risk", as far as agreed, does not apply.
5. Within the Sum Insured the parties can agree on limits of liability of the Insurer for loss and damage caused by particular peril and/or to particular property mentioned in the policy.

INSURANCE PREMIUM

1. The insurance premium is established based on the Insurer's tariffs. In case of policy period shorter than 12 months a short-term tariff applies.
2. **Premium payment –**
 - 2.1. The insurance premium is paid in full on handing the policy unless otherwise agreed.
 - 2.2. Providing agreement between the parties mentioned in the policy or endorsed thereon the premium can be paid in deferred installments during the policy period.
 - 2.3. In case of insured event the Insurer is entitled to deduct the non-paid

deferred premium installments from the due indemnity.

3. If during the policy period the insurance is extended to include additional property and/or cover then the additional premium is established pro-rata to the remainder of the policy period.
4. Insurance premium in case of pre-term cancellation -
 - 4.1. If the insurance is canceled by the Insurer the latter is entitled to a part of the total premium proportionate to the utilized part of the policy period.
The Insurer is entitled to the full amount of paid premium in the cases as per Chapter III, p. 7.1, Chapter VI, p. 3, providing the Insured has known or should have known about the absence of insurable interest, and Chapter VIII, p. 15.
 - 4.2. If the insurance is canceled by the Insured the latter is entitled to the difference between the total premium and the premium for the utilized part of the policy period calculated under short-term tariff providing there are neither paid, nor outstanding claims.
5. If the Sum Insured is established in free convertible currency then the premium is established in the same currency and payable in Bulgarian Leva according to the fixing rate of Bulgarian National Bank as at date of payment.
6. If the Insured does not fulfill his obligation for premium payment then the Insurer is entitled to reduce the Sum Insured, to change the insurance conditions or to cancel the insurance with observance to Art. 387 of the Law on Commerce.

VI. INSURANCE PERIOD

1. The insurance (policy) period is 12 (twelve) months unless otherwise agreed in the policy.
2. The insurance can be canceled by each party through written notification with term of 15 days as from date of receipt.
3. The insurance is automatically canceled at expiry of the insurable interest.
4. During the policy period the Insured is obliged:
 - 4.1. to take good care for the insured property and all necessary measures for preventing of insured event;
 - 4.2. immediately to disclose to the Insurer all new circumstances with considerable importance for risk evaluation while the Insurer is entitled to request for changes in the insurance conditions; in case of non-disclosure the Insurer has the rights as per Chapter III, p. 7;
 - 4.3. to give to the Insurer access for survey of the insured property and to fulfill latter's prescriptions for improving of the risk factors.
5. If the Insurer does not fulfill his obligation under p. 4 and depending on the effect thereafter on the probability for loss, the Insurer is entitled to request for changes in the insurance conditions, to cancel the insurance pre-term, to reduce or to refuse indemnity.
6. If during the policy period the property is transferred then the cover remains in force providing the Insurer is informed and the validity of the insurance in favour of the transferee is confirmed in written.
7. The changes in the insurance conditions agreed during the policy period will be stipulated in endorsements to the policy representing integral part thereof and signed by both parties.

VII. ACTION DUE BY THE PARTIES AT INSURED EVENT

1. At occurrence of insured event the Insured is obliged:
 - 1.1. immediately to notify the competent authorities, incl. police department;
 - 1.2. to take all reasonable measures for minimizing of loss;
 - 1.3. to notify the Insurer not later than 24 hours after occurrence of the event or during the first working day after learning about the event;
 - 1.4. to submit to the Insurer all the known information about the event;
 - 1.5. to give to the Insurer access for survey of the place of event;
 - 1.6. to protect the rights of the Insurer against third parties liable for the losses incurred.
2. The Insurer is entitled to give instructions related to determining of reason for the event, elimination of the consequences therefrom, additional security measures for the insured property, etc. in this respect, which do not mean agreement for indemnification. The

Insurer's instructions are obligatory for execution by the Insured.

3. The Insured is obliged to prove his and/or Beneficiary's insurable interest and to submit the evidence and documents requested by the Insurer with regard to determining of the event and the amount of loss, incl. documents issued by competent authorities, survey protocols, expert statements, invoices, payment orders, accountancy statements, etc. depending on the particular case.
4. If the Insured does not fulfill his obligation under Chapter VII then the Insurer is entitled to reduce or to refuse indemnity and/or to cancel the insurance pre-term.

VIII. INSURANCE INDEMNITY

1. The indemnity amount is determined by Insurer's representatives and/or by expert.
In case the Insured disagree with the determined indemnity the latter is entitled on own account to assign the loss adjustment to another expert. In case of different adjustments the parties jointly choose and assign the adjustment to a third expert whose statement is final.
2. The indemnity amount for the whole insured property and as well for each part thereof cannot exceed the value of the property as at date of the insured event, nor the respective Sum Insured or limit of liability, if agreed.
3. The indemnity is established based to the level of correspondence between the Sum Insured and the actual value of the damaged or destroyed property as at date of the insured event according to Chapter IV.
4. In case of partial loss the indemnity cannot exceed the expenses for acquiring of property adequate to the illegally deprived in its condition as at date of the insured event.
5. In case of total loss the Insurer owes indemnity equal to the value of the illegally deprived property as at date of the insured event established in a way as mentioned in the policy.
6. The Insured bears on own account the losses within the deductible mentioned in the policy.
7. If the Insured receives indemnity from persons liable for the losses incurred then the liability of the Insurer is reduced with the same amount.
8. If the illegally deprived property is insured with more than one insurer then the present Insurer owes indemnity only for a part of the loss proportionate to the ratio between the Sum Insured under this insurance and the total of Sums Insured under all insurances.
9. The insurance indemnity is due in term of 14 days after determining the reason and amount of loss, incl. after submitting of the documents under Chapter VII, p. 3.
The Insurer is not liable for delays due to circumstances out of his control.
10. If the insurable interest and the reason for the claim are proved then at Insurer's discretion can be effected partial advance indemnity payments prior to the final settlement as per p. 9.
11. If the Sum Insured is established in free convertible currency the losses containing foreign currency component are indemnified in Bulgarian Leva as per the fixing rate of Bulgarian National Bank at date of payment.
12. If the Insured is not owner of the illegally deprived property then the indemnity is payable in favour or according to the instructions of the owner.
13. If the insurance is concluded in favour of third party (Beneficiary) then the indemnity is payable in favour or according to the instructions of the Beneficiary up to the amount of latter's rights against the Insured; the excess, if any, is payable in favour of the Insured.
14. If agreed between the parties, besides through indemnity payment the claim can be settled also through delivery of property adequate to the illegally deprived effected by the Insurer or by third parties under

Insurer's order.

15. If the Insured or his authorized representative claims for indemnity under this insurance being aware that the claim is based on untrue data with regard to its reason or amount then all indemnities will be refused and the insurance - canceled, without refund of insurance premium.

IX. SUBROGATION

1. The Insurer enters into the rights of the Insured against the persons liable for the incurred loss up to the amount of paid indemnity and claims handling expenses.
2. The Insured's waiver of rights against the persons liable for the incurred loss has no force towards the Insurer.

X. OTHER CONDITIONS

1. The present General Conditions can be changed or amended through written agreement between the parties mentioned in the policy or endorsed thereon.
2. In respect with all matters unsettled in the present General Conditions the Bulgarian legislation will apply.
3. The disputes between the parties which cannot be settled through negotiations are to be brought for settlement before the competent Bulgarian court.

These General Conditions are approved on a meeting of the Management Board of Allianz Bulgaria Ins & Re jsc held on 25.03.2002 and are applicable for insurances concluded after 01.06.2002.

Allianz Bulgaria Ins & Re jsc

Note: This is a free translation and all legal matters related to the insurance can be resolved on the basis of the Bulgarian version of the General Conditions only.