

## **SPECIAL CONDITIONS FOR "LESSOR'S LIABILITY" INSURANCE**

### **I. SCOPE OF COVER**

Under the present Special Conditions "INTERAMERICAN BULGARIA" ZEAD, hereinafter referred to as the Insurer, insures after a prepaid premium within the limits agreed upon in the insurance contract, the public liability of the Insured, being the owner of the insured home, for directly caused personal damages and damages to property, arising out of death or bodily injury of his lessee on condition that the claim for damages has been raised during the insurance period.

### **II. INSURANCE COVER**

Under the conditions of the present insurance, the Insurer shall cover:

- 2.1.** The public liability of the Insured for directly caused personal damages and damages to property, arising out of death or bodily injury of his lessee, that he has incurred on the territory of the Republic of Bulgaria during the insurance period;
- 2.2.** The expenses of the Insured incurred for restricting the extent of damages, when he has acted in due care, even if his efforts have been fruitless.
- 2.3.** Expert and witness expenses during public court proceedings against the Insured in connection with risks covered by the present insurance.

### **III. EXCLUSIONS**

Under the conditions of the present insurance, the Insurer shall not cover:

1. Contractual liability (incl. upon contract for rent);
2. Professional liability;
3. Employer's liability;
4. Death or bodily injury to the members of the Insured's household;
5. The use of the home for other than residential purposes;
6. Building work, construction or demolition of the insured home or near - by buildings;
7. Resulting from the gradual influence of temperature, vapors, or dampness, gases, rain, waste waters, terrain sinking, landslides, earthquakes as a result of usage of percussion appliances, floods by running or stagnant water, as well as damages caused by cattle and poultry;
8. Resulting from or as a consequence of military activities of all kinds, internal riots, uprisings, strikes, coups, revolutions, terrorism, civil disobedience, etc.;
9. Resulting from a direct or indirect influence of nuclear or ionizing emissions or from the production of nuclear energy and its remnants, as well as from laser and ultraviolet rays;
10. Lawful seizure, confiscation, nationalization or requisition of the Home;
11. Destruction of or damage to the home by any government or public or local authority;
12. Resulting from the Insured and/or his lessee violating their public/legal obligations ("obligations to the state");
13. Consequential loss;
14. Ecological damages.

### **IV. INSURANCE EXECUTION**

- 4.1. The insurance shall be issued on condition that the Insured has valid insurance "Fire and other perils" for the residential property, by "INTERAMERICAN BULGARIA" ZEAD.
- 4.2. Before the insurance execution, the Insurer shall inspect the residential property.

### **V. COMMENCEMENT, DURATION AND CANCELATION OF THE INSURANCE**

- 5.1.** The insurance shall be effected as at 00.00 /zero/ hour of the day specified in the insurance policy as the day of commencement, on condition that up to this hour the full amount of the insurance premium or the first installment in case of deferred installments has been paid, and expire at the 24 hour of the day specified as the expire day of the insurance policy.
- 5.2.** The insurance is concluded for a period agreed by the parties.
- 5.3.** The insurance shall be canceled:
  - 5.3.1.** upon expiry of the insurance period.

**5.3.2.** upon depletion of the liability limits agreed upon for all loss occurrences as a result of indemnities paid or such due for payment.

**5.3.3.** upon termination of the insurance interest according to which the insurance has been executed.

**5.3.4.** upon request of the Insured - upon a 10-day written notice. Herewith the Insurer is entitled to a premium proportional to the period of the insurance validity.

**5.3.5.** by the Insurer - upon a 14-day written notice, while the Insured shall be entitled to a refund of a part of the insurance premium corresponding to the unexpired period of the insurance.

## **VI.INSURER'S LIABILITY**

**6.1.**The liability limits for a single loss occurrence and for the period of the insurance shall be agreed between the parties and shall be defined in the insurance policy.

**6.2.**The Insurer's liability, separately for the expenses and costs under p.2.2 and 2.3. of the present Special Conditions is within the limit agreed upon for all loss occurrences during the insurance period.

**6.3.**The Insurer's liability shall be up to the actual extent of damages but no more than the liability limits agreed upon.

## **VII.INSURANCE PREMIUM**

**7.1.**The insurance premium is determined in accordance with Insurer's rates schedule.

**7.2.**The insurance premium is paid by the Insured as a lump sum upon issuing of the insurance.

## **VIII.OBLIGATIONS OF THE INSURED DURING THE INSURANCE PERIOD**

The Insured is obliged to:

**8.1.**maintain his properties in good condition and utilize them with due care.

**8.2.**observe all the safety regulations pertaining from the law, as well as the prescriptions of the competent bodies and of the Insurer, and to ensure access for inspection as to their observance.

**8.3.**keep all the necessary and required under the laws of the country documentation concerning the insurance cover under the present insurance, so that in case of a loss occurrence it would not be damaged, destroyed or lost;

**8.4.** take all the necessary measures for preventing the loss occurrence, and in case such has already occurred, restrict the extent of damages;

**8.5.** notify the Insurer, immediately after they have been known to him, of all new circumstances, in direct respect to the insurance contract;

**8.6.** within 7 days of they becoming known to him notify the Insurer of all circumstances that might lead to a public liability claim.

**8.7.** If the Insured violates his obligations referred to in item 8.1. – 8.6., the Insurer is entitled to:

**8.7.1**cancel the insurance while refunding to the Insured a part of the insurance premium corresponding to the unexpired period of the insurance;

**8.7.2.**recalculate the insurance premium in accordance with the change in the risk circumstances as of the day of their occurrence;

**8.7.3.** refuse indemnification in case of a loss occurrence due to a risk circumstance he has not been notified of.

## **IX.RELATIONS BETWEEN THE PARTIES UPON LOSS OCCURRENCE**

Upon loss occurrence, the Insured is obliged to:

**9.1.** within 3 /three/ days of his knowing notify the Insurer for the loss occurrence, its nature, and for the approximate scope of damages.

**9.2.**within a period of 7 days of his knowing about the loss occurrence inform the Insurer for the claims against him or for the payment he has undertaken.

**9.3.**prove indisputably the existence of a valid insurance and the loss occurrence.

**9.4.** refrain from actions that alter the physical state of the property damaged or lead to an increase in the scope of damages without the consent of the Insurer.

**9.5.**at any time and at his expense provide the Insurer or his empowered representative with all the relevant information bearing to the nature or the cause of damages and to the circumstances of the loss occurrence.

**9.6.**involve the Insurer in public liability lawsuits as a third party - an assistant.

**9.7.**In cases when the Insured acknowledges, res. satisfies partially or completely any claims presented without the consent of the Insurer, the latter is entitled to partially or completely refuse indemnification.

#### **X.INSURANCE INDEMNITY**

**10.1.**The Insurer shall be liable for indemnification upon presentation of a written claim, on the basis of:

**10.1.1.**an extrajudicial agreement between the parties of the insurance contract and the damaged party res. his heirs.

**10.1.2.**enforced court decisions against the Insured.

**10.2.**The indemnity is paid to:

**10.2.1.**the damaged parties res. their heirs.

**10.2.2.**the Insured - when either with the knowledge and consent of the Insurer or on the basis of an enforced court decision the claims of the damaged third parties have been satisfied.

**10.3.**Payment of the insurance indemnity shall be effected by the Insurer within 10 working days of receiving all the needed documentation and data proving the liability of the Insured and the scope of damages. The Insurer is obliged to notify the Insured within the same period for his refusal to indemnify as he should specify the reasons for such a decision therein.

**10.4.**The Insurer is entitled to withhold indemnification till the end of the procedure when the Insured, due to a loss occurrence covered by the present insurance, is liable under a Labor or Criminal Code proceeding, the decision of which shall satisfy the indemnity claims.

#### **XI.PRESCRIPTION, JURISDICTION, RECOURSE**

**11.1.** Disputes between the parties of the insurance contract shall be settled by negotiations, and if agreement is not reached - according to the civil law.

**11.3.**For indemnification of the third party damaged, res. his heirs, the Insurer shall subrogate to all the Insured's rights of recovery against the faulty parties up to the amount of the indemnification paid and the expenses incurred.

**11.4.**Upon payment of an insurance indemnity for damages deliberately incurred by the Insured and suffered by third parties, the Insurer shall be entitled to a reverse claim for the indemnity he has paid to the damaged party.

**11.5.** The Bulgarian Civil Law shall apply to all disputes not referred to in these Special Conditions and the insurance contract.

**INTERAMERICAN Bulgaria Ins. Co. S.A.**