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PROPERTY INSURANCE TERMS & CONDITIONS

#PRO-001/25

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TBC INSURANCE

PRO/001/25

DEFINITION OF TERMS

For the purposes of this insurance, the following terms have the following meanings:

INSURER
JSC TBC Insurance, in other words, US.

POLICYHOLDER
A natural person, who enters into the Insurance Agreement with the Insurer and is responsible for Premium payment, in other words, YOU.

BENEFICIARY
Person entitled to receive Insurance Indemnity. For the purposes of Section I - Owner of the Insured Property. For the purposes of Section II - any Third Party who owns the damaged property.

OWNER
Owner of the Insured Property.

SUM INSURED/LIMIT OF INDEMNITY
Maximum indemnifiable amount by the Insurer. Limit of Liability per each section shall be defined separately and shall be indicated in the Insurance Policy.

INSURANCE PERIOD
Period of time indicated in the Insurance Policy during which insurance cover is valid.

INSURED PROPERTY
Internal Fixtures and Fittings, and contents, located within the Territory of Cover.

FIXTURES AND FITTINGS
Wall, ceiling and floor coverings, windows, doors, and electrical, gas, heating, plumbing (including sewerage) systems.

CONTENTS
Household appliances and furniture, namely the items specified in Appendix #1 to these Terms and Conditions.

INSURED EVENT
An event resulting from an insured risk.

INSURED RISK
A sudden and unforeseen event covered by this insurance, which may cause damage or destruction of the Insured Property or property of Third Parties.

DEDUCTIBLE
The amount indicated in the Insurance Policy, which is not payable by the Insurer, and which is deducted from the amount of each and every loss.

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TERRITORY OF COVER
The address indicated in the Insurance Policy where the Insured Property is located/placed. Insurance shall be valid only within the Territory of Cover specified in the Policy. If the Insured Property is moved outside the Territory of Cover, insurance coverage becomes invalid.

INSURANCE PREMIUM
Amount of money to be paid by the Policyholder to the Insurer in the amount and form as indicated in the Insurance Policy.

REINSTATEMENT VALUE
Amount required to reinstate the Insured Property, including the cost of repairs (in particular: cost of construction materials, transportation of materials, and labor), and any other expenses necessary to restore the property to its initial condition immediately before the Insured Event and which is defined by these Terms. Reinstatement Value does not include additional costs associated with improvements or alterations to the Insured Property. Reinstatement Value shall include the cost of debris removal caused by an insured risk, with maximum amount of 10% of the loss amount.

REPLACEMENT VALUE
Amount of money required to replace damaged or destroyed Insured Property with items of similar characteristics.

THIRD PARTY
Any legal entity or individual other than the Policyholder, Beneficiary, or their family member(s).

FAMILY MEMBER
Mother, father, spouse, sister, brother, son, daughter, stepson, stepdaughter, grandmother, grandfather, grandson, granddaughter, great-grandson, great-granddaughter of the Policyholder and/or Beneficiary, as well as any other individual permanently residing within the Territory of Cover.

TENANT
Natural or legal person who has entered into a lease/rental agreement with the Owner of the Insured Property (to be confirmed by the relevant evidence).

WAITING PERIOD
Period of time during which no indemnification shall be paid by the Insurer following the occurrence of the Insured Risk. The Waiting Period stands at first 14 (fourteen) calendar days from the Policy commencement date.

INSURANCE POLICY

A document issued by the Insurer, certifying validity of the Insurance Agreement, and stating details of the insurance cover. In case of any discrepancy between the Insurance Policy and the present Terms and Conditions, the Insurance Policy shall prevail.

INSURANCE AGREEMENT

A set of present Terms and Conditions, Insurance Policy, its Attachment(s) and Questionnaire(s) (information provided to the Insurer by the Policyholder in writing or in electronic form).

1. INSURANCE COVERS/SECTIONS

1.1. Present Terms and Conditions include following insurance covers/sections:

Section I: Property Insurance;
Section II: Third Party Liability Insurance.

1.2. The Insurance Cover/Insurance Risks selected by You is indicated in the Insurance Policy.

2. SECTION I - PROPERTY INSURANCE

2.1. Risks Insured

2.1.1. Fire, lightning strike, explosion, smoke damage:

- Fire - an open flame spreading independently after it has started in a place other than the place intended for the fire. The fire also includes damage caused by an electrical fire;
- Lightning - a spark discharge in which the current flows through the Insured Property, causing damage or fire. Damage caused to an electronic device or equipment as a result of a lightning strike without causing a fire is not subject to compensation;
- Explosion - a sudden and violent release of energy caused by expansion of gas, steam, or liquid;
- Smoke Damage - any physical external damage to Fixtures, Fittings and Contents caused by smoke, not the fire itself.

A balcony located within the Territory of Cover is insured only against the risks specified in sub-paragraph 2.1.1 of present Terms and Conditions, namely: fire, lightning strike, explosion, smoke damage. In the event of an Insured Event resulting from the above risks, the cost of the balcony's cladding (in particular: walls, ceiling and floor coverings, windows, doors, electrical, gas, heating, water pipes) is subject to compensation, other types of damage or expenses are not subject to compensation. For the purposes of these Terms and Conditions, a balcony is considered to be that part of the insured area, the facade of the building, which is fully and/or partially open and is restrained by a railing.

2.1.2. Theft involving forcible entry into the Territory of Cover, Robbery, Burglary, or Vandalism committed by a Third Party (deliberate damage to or destruction of the Insured Property by a Third Party(ies), confirmed by an official document issued by the relevant law enforcement agencies.

2.1.3. Hail;

Flood - an overflow of water that submerges land that is usually dry, water ingress. For the avoidance of doubt, for the purposes of this Agreement, flood does not include damage to the Insured Property caused by poorly maintained drainage system, burst public water pipes or failure of foundation drainage systems;

Strong Wind - wind speeds exceeding 25 m/s.

2.1.4. Sudden and unforeseeable breakdown of pipes in the Insured Property.

2.1.5. Damage to Insured Property due to sudden and unexpected failure of common water and sewerage pipelines (common water and sewerage pipelines, meaning pipes serving more than one apartment within the building, excluding sewer, conveyance/drinking, water/treatment units located in the foundation of the building).

Example

If a public sewer and/or drinking water pipe suddenly breaks down and the Insured Property is damaged by water leaking from the pipe, such damage will be subject to compensation, unless there are any exceptional circumstances provided for in these Terms and Conditions.

You are obliged to notify Us in writing (including, but not limited to, by e-mail) about the repair of the pipelines. After receiving the notification, We are entitled to check the condition of the repaired pipelines within a reasonable time or request photo/video material.

2.1.6. Damage or destruction of Insured Property caused by water entering/leaving from a neighboring property.

2.1.7. If the Owner leases/rents the Insured Property to a Third Party(s) and a corresponding entry is made in the Insurance Policy, the damage to the property caused by the Tenant is additionally covered by the present Section.

2.2. Under Property Insurance Section I, the following shall not be covered:

2.2.1. The following properties are excluded from coverage:

- Depreciated and damaged buildings and structures;
- Buildings or structures constructed mainly from sandwich panels, wood and wood materials, tinplate, non-load-bearing and temporary structures;
- Properties in respect of which loss has been recorded within last 3 calendar years, unless otherwise is stated in the Insurance Policy.
- Facilities located at an altitude of more than 1 500 meters, with the exception of properties located in Bakuriani and Gudauri, unless otherwise provided by the Insurance Policy;
- Property that is not used for residential purposes.

2.2.2. If the property which is deemed uninsurable under present Terms and Conditions has still been insured, such property shall not be considered Insured Even in case of Premium payment. Paid premium shall not be refunded.

2.3. Exclusions applicable to Property Insurance Section I:

THE FOLLOWING SHALL NOT BE INDEMNIFIED:

2.3.1. Loss, theft, or unexplained disappearance of the Insured Property, if the act of theft, robbery, burglary or vandalism is not confirmed by an official document issued by the relevant law enforcement agencies.

2.3.2. Losses caused by snow or hail entering the Insured Property through open doors, windows or other openings made intentionally or arise due to age or a construction defect).

2.3.3. An Insured Event arising from a defective workmanship by a state municipal service/organ, and/or any Third Party subordinate to it.

2.3.4. Damage to furniture and appliances located on the balcony.

2.3.5. Damage to or destruction of objects located below ground level (basements, semi-basements) caused by flooding.

2.3.6. Damage caused by failure to adhere to the established standards for the operation of pipes and electrical wiring, including costs of replacing depreciated, worn-out and interchangeable parts.

2.3.7. Loss caused by damage to unauthorized additions.

2.3.8. Damage to the Insured Property resulting from the collapse or damage of unauthorized additions.

2.3.9. Any damage to the Tenant's personal property.

3. SECTION II- THIRD PARTY LIABILITY INSURANCE

3.1. **Risks Insured:**

3.1.1. Third Party Liability Insurance covers the Owner's legal liability for physical damage to the property of any Third Party arising from the possession and/or use of the Insured Property.

3.1.2. If the Owner rents the Insured Property to a Third Party(ies) and this is recorded in the Insurance Policy, the Insurance covers the Owner's legal liability for bodily injury to the Tenant caused by the possession and/or use of the Insured Property.

3.2. In addition, Insurance indemnity shall be paid only if:

- Property damage is caused by an event occurring within the Territory of Cover during the Insurance Period specified in the Insurance Policy;
- Claim is filed with Us during the Insurance Period. If the Insured Event occurs in the last calendar week of the Insurance Period, You are given additional 3 (three) calendar days for claim notification;
- If there is a legal dispute between the Owner and a Third Party regarding damages, a claim against the Owner must be filed with the Georgian court or the court of arbitration in Georgia. We have the right to represent interests of the Owner in the court proceedings, but We shall be free from any liability to make such representation, if damages inflicted on a Third Party property are not covered by this insurance.

3.3. Exclusions applicable to Third Party Liability Insurance Section II:

THE FOLLOWING SHALL NOT BE INDEMNIFIED:

3.3.1. Damage to property owned, leased to or actually occupied by the Owner.

3.3.2. Damage to immovable property abandoned by the Owner or transferred to any Third Party, if damage is caused by such property or any part thereof.

3.3.3. Damage to property entrusted to the Owner (entrusted property).

3.3.4. Damage to property owned by a person entitled to use the Territory of Cover.

3.3.5. Damage to Third Party property caused by willful misconduct or gross negligence of the Policyholder/Owner, or any of their Family Members.

3.3.6. Damage for which the Policyholder assumed responsibility on their own, without the prior written consent of the Insurer and of litigation.

3.3.7. Any damage caused to the health of a Third Party.

3.3.8. Moral damage.

3.3.9. Liability for any kind of fine.

3.3.10. Unearned income.

3.3.11. Death of the Tenant.

3.3.12. Incapacity of the Tenant.

4. GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS

4.1. General Conditions Applicable to all Sections

4.1.1 You shall:

4.1.1.1. Provide Us with complete and accurate information about the Insured Property, as well as any other information requested by Us that may have bearing on risk assessment or estimation of future losses.

4.1.1.2. In case of an Insured Event under the Property Insurance section I, immediately, within a reasonable time, notify Us on the company hotline – 2 42 22 22. In case of an Insured Event under the Third Party Liability Insurance section II, in addition report the event to the relevant law enforcement agencies. The information provided to **Us** shall be confirmed in writing within 72 (seventy-two) hours after the occurrence is reported via the hotline.

4.1.1.3. Upon discovery of any damage by the Lessee, **You** and/or the Lessee shall immediately, within a reasonable timeframe, contact **Us** and notify about the occurrence of the insured event.

4.1.1.4. Comply with the instructions received from **Our** representative regarding the **Insured Event**.

4.1.1.5. Contact the Patrol Police in case of criminal actions by **Third Parties** (theft, robbery, burglary, vandalism), and in case of fire, explosion, earthquake, flood, avalanche and landslide, contact the appropriate authorities (Emergency Management Agency, Fire Department, Emergency Service).

4.1.1.6. Take all reasonable measures to reduce the damage or save the **Insured Property**. All expenses related to the **Insured Event** must be agreed with **Us** in writing in advance, otherwise **We** reserve the right to deny the claim.

4.1.1.7. To the best of **Your** ability and until the arrival of **Our** representatives, maintain the damaged property in the condition in which it was found immediately after the occurrence of the **Insured Event**. **Our** representative must be allowed to inspect/photograph the scene and the damaged property; **You** shall allow **Us**, **Our** authorized representative, or any expert and loss adjuster appointed by **Us** to inspect the **Insured Property**.

4.1.1.8. Provide **Us** with the following documents (indicated in the paragraph 4.1.2) no later than 14 (fourteen) calendar days after the occurrence of an **Insured Event** under the Property Insurance section I, and 30 (thirty) calendar days after the occurrence of an **Insured Event** under the **Third Party Liability** Insurance section II.

4.1.1.9. After the **Insured Event** has been indemnified, notify **Us** in writing about the repair of the damaged property and ensure that the repaired property is re-examined and photo/video material is provided to **Us**. After receiving the notification, **We** are entitled to inspect the condition of the repaired property within a reasonable time.

4.1.1.10. In addition to the obligations set forth under this Article, **You** are also obliged to ensure the proper care, maintenance, and preservation of the insured property, as well as to inform the Lessee of the insurance terms and conditions, including all obligations stipulated therein.

4.1.2. **Upon occurrence of any Insured Event:**

4.1.2.1. Written statement describing the **Insured Event**.

4.1.2.2. Document confirming ownership of the **Territory of Cover** by the Beneficiary.

4.1.2.3. Copy of identity document of the Beneficiary'.

4.1.2.4. Documents issued by authorized government agencies (Ministry of Internal Affairs, Emergency Management Agency, Meteorological Center, LEPL National Environmental Agency, Fire Department) or private firms confirming the occurrence of the Insured Risk and its causes.

4.1.3. Additionally, if claim is filed under Third Party Liability Insurance Section II:

4.1.3.1. Information and documents necessary to establish the identity of the affected persons, within the powers and capabilities of the Policyholder.

4.1.3.2. Relevant document drawn up by the Patrol Police brigade that arrived at the scene.

4.1.3.3. Documents issued by authorized government agencies (Ministry of Internal Affairs, Emergency Management Agency, Meteorological Center, LEPL National Environmental Agency, Fire Department) or private firms confirming occurrence of the Insured Risk and its causes.

4.1.3.4. Notice of a claim filed by an injured Third Party(ies);

4.1.3.5. If, due to the death of the Beneficiary, indemnity shall be received by other person(s), a document certifying the right of any such person to receive indemnity hereunder (certificate of inheritance establishing the share of inheritance in total estate).

4.1.3.6. In there is a dispute between the Owner and the affected party, a final court decision confirming liability of the Owner for damages inflicted. However, indemnity shall not be paid if during court proceedings the Owner acknowledges his/her liability or any part thereof without prior written consent of the Insurer.

4.2. We shall have the right to:

4.2.1 Upon occurrence of an Insured Event, request from You documents specified in these Terms and Conditions, and in case of failure to submit these documents, refuse to pay the claim.

4.2.2 Postpone claim payment if the law enforcement agencies of Georgia have initiated criminal proceedings against the Policyholder or the Beneficiary.

4.2.3 If We have indemnified damage inflicted on the roof of the Insured Property as a result of the Insured Event, We shall have the right to refuse payment for any subsequent loss or damage, if the damaged roof was not repaired after the indemnity was paid. You are required to notify Us about roof repairs. Upon receiving such notification, We shall have the right to inspect the repaired roof.

4.2.4 If We have indemnified for the loss caused by the failure of water supply and sewage pipelines in common use, We are entitled not to compensate for any subsequent loss or damage if the damaged pipeline has not been repaired after the already indemnified loss. You are obliged to notify Us in writing about the repair of water supply and sewage pipelines in common use and provide Us with relevant photo/video materials. After receiving the notification, We are entitled to check the condition of the repaired pipeline.

4.2.5 If We have indemnified the damage to the Insured Property caused by water entering from a neighbor's balcony, We are entitled not to compensate for any subsequent loss or damage if the damaged balcony has not been repaired after the damage has already been indemnified. You are obliged to notify Us in writing about the repair and provide Us with relevant photo/video material. After receiving the notification, We are entitled to check the condition of the repaired balcony.

4.3. We shall:

4.3.1. Investigate the circumstances regarding the Insured Event. In agreement with You, determine the form of insurance compensation – whether to transfer the costs of repairs directly to the account of the repair company or directly to the Beneficiary.

5. GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

5.1. We shall not be liable for loss or damage caused by, arising out of or resulting from:

5.1.1. War (whether declared or not), invasion, military actions and their consequences, civil war, insurrection, civil unrest, armed insurrection, revolution, attack by the armed forces of any recognized or unrecognized Government, military actions, mutiny, actions of terrorists (or persons associated with them), as well as government actions aimed at suppressing them, special rules, state of emergency, martial law declared by the state government, strikes.

5.1.2. Confiscation, requisition, expropriation, nationalization, seizure of property; destruction, seizure of or damage to the Insured Property by decree/order of military or civilian authorities.

5.1.3. Depreciation, wear and tear, corrosion, erosion, oxidation, sediment accumulation, humidity.

5.1.4. Damage caused by pets/birds, reptiles, insects, rodents or other pests.

5.1.5. Actions of the Policyholder, the Owner or their family member(s) while under the influence of alcohol, narcotics, or psychotropic substances.

5.1.6. Willful or gross negligence on the part of the Policyholder, the Owner or their family members and/or the Tenant.

5.1.7. Manufacturing defects of household appliances or costs covered by the supplier's warranty.

5.1.8. Damage caused by software damage/destruction, including data recovery costs.

5.1.9. Damage, which existed and/or has occurred before the Insurance Period and which should have been known by the Policyholder.

5.1.10. Any damage caused by repair/construction/installation or other types of work on the Territory of Cover.

5.1.11. Construction, engineering or other defects of the Insured Property that transpired the Insurance Period.

Example

The Insured Property was damaged due to improper installation of a pipe in a residential apartment. If, as a result of a specialist inspection, it is found that the damage was caused by improper installation of the pipe, for example: the pipe did not have the appropriate slope to allow the water flowing through it to drain properly and water accumulated in this pipe - the insurance conditions will not cover this loss.

5.1.12. Any internal mechanical damage and/or failure of the Insured Property, indirect losses caused by the Risks Insured.

5.1.13. Faking damage or providing false documents.

5.1.14. Damage caused by leaving the Insured Property unattended for more than 30 consecutive calendar days.

5.1.15. Failure of electronic devices, including heating tanks, as a result of electrical fluctuations and electromagnetic pulses.

5.1.16. Any damage caused by water entering from an open space/balcony (except as provided for in sub-paragraph 4.2.5. of these Terms and Conditions).

5.1.17. Non-residential property, including: garage, swimming pool, property in common use of neighbors in a residential building, farm buildings or any building not intended for residential use.

5.1.18. Damage caused by a risk other than the Insured Risks.

5.1.19. Loss occurring during the Waiting Period.

Example

The Insurance Agreement was concluded on January 1, and on January 10, the Insured Property was damaged as a result of the Insured Risk. Since the Insured Event occurred within 10 days of the conclusion of the Agreement and the 14-day waiting period has not yet expired, the loss will not be covered.

5.2. We are entitled not to issue Insurance Indemnity if the Insurer/its representative/Owner or beneficiary violates any of the obligations established by these Terms and Conditions.

5.3. This insurance does not cover following movable and immovable property:

5.3.1. Cash, stocks, bonds and other securities, manuscripts, photographs, photo negatives, diagrams, drawings and other documents, accounting, business books and the information contained therein.

5.3.2. Models, layouts, samples, casts and the like.

5.3.3. Precious metal items, precious stones, antiques, any collections and collectibles; paintings, pictures, sculptures and other works of art.

5.3.4. Information carriers, computer programs, means of temporary storage and transmission of electronic information.

5.3.5. Ammunition and industrial tools, explosives.

5.3.6. Power transmission and distribution lines located outside the Insured Property.

5.3.7. Animals, birds, plants, crops.

5.3.8. Property installed/placed on the exterior facade of the building (including awnings), except for heating and cooling systems.

5.3.9. Food products.

5.3.10. Property located on the Territory of Cover, but not owned by the Owner (including property under care and custody).

5.3.11. Property located in a building recognized as damaged by authorized state bodies.

5.3.12. Separate buildings that are not used for domestic purposes and are not part of the main structure of the Insured Property.

5.3.13. Swimming pool, including its constituent parts, structure, and components, as well as interior and exterior finishes.

5.3.14. Stained glass.

6. INSURANCE PREMIUM

6.1. The amount of the Insurance Premium payable by You and the payment schedule are indicated in the Insurance Policy.

6.2. If the Policyholder fails to pay full Insurance Premium, or its first installment by the end of the calendar month in which the Policy was issued, the Insurer will cancel Insurance Agreement from the date of inception, without any further notice. If the Policyholder fails to pay Insurance Premium (any installment other than the first one) on a due date as specified by the premium payment schedule, the Policyholder will have an additional two-week period to pay outstanding premium. If the Premium is not paid within 14 (fourteen) day period, any loss that occurs after the expiry of the above mentioned 14 (fourteen) day period, shall not be indemnified, and if after the expiry of 30 (thirty) calendar days from the due date, outstanding premium is not paid, We will unilaterally terminate (at 24:00 hours of the 30th day) the Insurance Agreement/Policy.

7. INSURANCE INDEMNITY CALCULATION

7.1. **The amount payable by Us shall be determined as follows:**

7.1.1 In case of damage to the Insured Property, within the Limit of Liability/Sublimit provided for by the Insurance Policy, We will pay the amount necessary to restore the property to the same condition it enjoyed immediately before the damage.

7.1.2 Depending on the type of property that was damaged and the extent of damage, We have the right to decide whether indemnity amount will be the Replacement Value or the Reinstatement Value.

7.1.3 In case of damage/destruction of furniture and household appliances, indemnity amount will be calculated based on the current market value of furniture/household appliances at the time of the **Insured Event**. However, indemnity amount shall not exceed the limits specified in Appendix #1 to these **Terms and Conditions**.

7.1.4 If the value of the damaged or destroyed household appliances and/or furniture exceeds the limit specified in Appendix #1, and if **You** can provide the proof of purchase, **We** shall indemnify based on the Market Value at the time of the **Insured Event**; If the market value of such item exceeds the total limit of the policy, compensation will be paid only within this limit.

7.1.5 The maximum amount **We** will pay for all claims occurring during the **Insurance Period** is limited to the **Sum Insured/Total Limit of Liability/Sublimit** specified for the relevant section.

7.1.6 After the payment of **Insurance Indemnity**, the **Total Limit of Liability/Sublimit** shall be reduced by the amount indemnified. The Limit of Liability shall be deemed reduced from the date of occurrence of the **Insured Event**.

7.1.7 **Deductible** amount will be deducted from the amount of **Insurance Indemnity**.

Example

Scenario 1: As a result of an **Insured Event**, the **amount of loss amounted** to **1 500 GEL**, the **deductible** specified in the policy is: **5% of the loss, min. 150 GEL**. Since 5% of the loss is 75 GEL and does not meet the min. amount specified in the policy (150 GEL), the **deductible** is determined as **150 GEL**. Accordingly, the **amount to be compensated** is **1 350 GEL** (1 500 GEL (loss value) - 150 GEL (deductible)).

Scenario 2: As a result of an **Insured Event**, the **amount of loss amounted** to **3 500 GEL**, the **deductible** specified in the policy is: **5% of the loss, min. 150 GEL**. Since 5% of the loss is 175 GEL and exceeds the min. amount specified in the policy (150 GEL), the **deductible** is determined as 175 GEL. Accordingly, the **amount to be compensated** is **3 325 GEL** (3,500 GEL (loss value) - 175 GEL (deductible)).

Scenario 3: The amount of loss incurred as a result of the **Insured Event** amounted to **1 500 GEL**, the **deductible** determined by the policy is 150 GEL. Accordingly, the **amount to be compensated** is **1 350 GEL** (1,500 GEL loss value) - 150 GEL (deductible).

7.1.8 We have the right, at Our discretion, to reduce the Insurance Indemnity by the amount of the unpaid part of the total Insurance Premium.

7.1.9 When paying the indemnity, We will rely on the report prepared by an independent appraiser selected by Us. If You do not agree with the report prepared by the independent appraiser, separate report will be prepared by an independent expert institution. The party initiating independent expertise shall bear all related expenses, and if the parties jointly decide to appoint an expert, all related expenses shall be divided equally between the parties.

7.1.10 For the purposes of Section II, We will only pay the amount that the Owner is liable for property damage caused to a Third Party based on a judgment rendered by the General Court of Georgia. In addition, We have the right to pay Insurance Indemnity without a court decision, if the submitted documents and the circumstances of the case establish the unequivocal liability of the Owner for damage caused to a Third Party.

8. TERMS AND CONDITIONS OF INSURANCE INDEMNITY PERIOD

8.1. Decision on whether to indemnify and on the amount of Indemnity shall be made by Us within 10 (ten) working days of receipt of all documents necessary to establish the circumstances of the Insured Event and to estimate the amount of damage.

8.2. We will pay Insurance Indemnity within 3 (three) working days from either date of signing the Claims Settlement Act by both parties or from the date of the remote settlement.

8.3. Payment shall be made in non-cash payment in GEL currency.

9. CLAIMS SETTLEMENT ACT

9.1. At the request of the Beneficiary, We have the right to sign the Claims Settlement Act through:

- Beneficiary's personal signature on the Claims Settlement Act (wet signature or qualified electronic signature);

- Confirmation of the Claims Settlement Act in electronic form;
- Confirmation of the amount of Insurance Indemnity through telephone conversation.

9.2. During the claim settlement process, We will communicate with the Policyholder/Beneficiary and provide remote services using Priority Telephone Number. We will retain SMS message(s) and/or audio recording(s) of telephone conversations between the Policyholder/Beneficiary and Our authorized representative(s) during the claim settlement process.

10. TERMINATION OF THE INSURANCE AGREEMENT

10.1. Insurance Agreement shall be terminated:

- At Your initiative, at any time, by giving Us a 5 (five) day written notice.
- At Our initiative, at any time, by giving You a 14 (fourteen) day written notice.
- At Our initiative, at any time, by giving You a written notice of termination, if it is found that the information provided by You is inaccurate, incomplete, false or misleading.
- At Our initiative, within 1 (one) month after receiving information about the selling of the Insured Property, by giving You a 1 (one) month written notice.

10.2. At Our initiative, without prior notice to You, if:

- We have fully performed Our obligations under the Insurance Policy/total Limit of Liability specified in the Insurance Policy has been exhausted. The Insured Property no longer exists for any reason other than the Insured Risk.
- The Insured Property has been destroyed, regardless of whether We have paid the Insurance Indemnity or not.
- Insurance Premium is 30 (thirty) calendar days overdue.

10.3. Insurance Agreement shall also be terminated:

- Upon expiry of the Insurance Period under the Insurance Policy (except in cases where the Policy is not subject to automatic renewal).
- If We stop operation in accordance with the current legislation.

- Based on a preliminary written agreement between **Us**.
- In other cases, provided by the current Georgian legislation.

10.4. **You have the right to terminate Insurance Agreement at any time by giving Us 5 (five) day written notice. In this case:**

- If no Indemnity has been paid and/or no claim has been reported during the policy period, **You** shall pay the unpaid part of the earned **Insurance Premium**, and 10% of Unearned **Insurance Premium**. In case of a Premium refund, upon **Your** written request, **We** will refund the unearned portion as of the date of termination, less the 10% of the unearned portion of the total Premium, which is an early termination fee.
- If **We** have paid or made a decision to pay the claim under the current **Insurance Agreement**, **You** shall pay full Policy Premium, while paid unearned portion of the **Insurance Premium is not subject to refund**. In addition, **We** have the right to deduct unpaid portion of the Premium from Indemnity amount.

Example

An **Insurance Agreement** was concluded on **January 1** for a period of 1 year and **was canceled after 265 days**. The annual premium is **730 GEL**, and the paid premium is **500 GEL**.

- The **earned premium** is **530 GEL**, which is calculated according to the following formula:

$$\frac{730 \text{ GEL } \textit{(annual premium)}}{365 \text{ days } \textit{(duration of the insurance agreement)}} \times 265 \text{ days } \textit{(period of validity of the insurance agreement)}$$

- **The unearned premium** is the difference between the annual and earned premiums and is **200 GEL** (*730 (annual premium) – 530 (earned premium)*).

Considering the above, the **premium You** will pay is **50 GEL** *(530 (earned premium) – 500 (paid premium) + 200 (unearned premium) x 10%)*.

10.5. The **Insurance Agreement** may be terminated prematurely at **Our** initiative by giving **You** 14 (fourteen) day written notice. In case of a prepaid premium, **You** have the right to request a refund of the unearned portion of the paid premium. The earned portion of the paid premium **is not subject to refund**. In case of a debt, **You** are obliged to pay the unpaid portion of the earned premium.

10.6. The Insurance Agreement may also be terminated if You fail to perform Your key obligations under the Agreement or act in violation of the current legislation of Georgia. If insurance is terminated, the Insurance Premium is non-refundable.

11. CHANGE OF THE TERMS OF THE AGREEMENT

11.1. When renewing the Insurance Policy and, accordingly, the Insurance Period, We have the right to unilaterally change the terms of the Agreement, including the insurance conditions, rules, Deductible and premium. We will notify You in writing about these 30 (thirty) calendar days before the change comes into force.

11.2. You have the right, within the aforementioned 30 (thirty) calendar day period, to refuse such a change of the terms of the Agreement in writing and terminate the Agreement at any time. In such a case, the Agreement will terminate upon the expiration of the current Insurance Period.

11.3. If You do not reject the revised terms/terminate the Agreement within 30 (thirty) calendar days, the changes will be deemed accepted by You and will enter into force on the date specified in the written notice.

12. INSURANCE PERIOD AND AUTOMATIC EXTENSION

12.1. The inception date and duration of the Insurance Agreement are indicated in the Insurance Policy.

12.2. For the Insurance Agreement to enter into force, You have to pay full Insurance Premium or its first installment, in accordance with the payment schedule specified in the Insurance Policy. Until the Insurance Policy comes into force, We are free from any liability to pay the claim.

12.3. The Insurance Policy and the subsequent Insurance Period shall be automatically renewed for following 12 (twelve) month periods on the same Terms and Conditions, unless a loss is reported to the Insurer under the Insurance Policy, but the loss was not indemnified for the following reason:

- The event was closed at the initiative of the Insurer;
- The event does not represent an Insured Risk;
- The loss does not exceed the amount of the Deductible.

Also, the Policy is subject to automatic renewal if the amount of the compensated loss is equal to or less than the total premium of the Policy for one year, and only one event /loss has been recorded/reported during the last 1 (one) year.

12.4. If We do not wish to automatically extend the Insurance Policy, We shall notify You 14 (fourteen) days before the expiration of the Insurance Period by sending an SMS message to the contact number specified in the Insurance Policy. If You do not wish to automatically extend the Insurance Policy, You shall notify Us within the last 14 (fourteen) days of the current Insurance Period.

12.5. If You do not wish to have Your Insurance Policy and the relevant Insurance Period automatically renewed, You must notify Us of this within the last 14 (fourteen) calendar days of the current Insurance Period.

13. DOUBLE INSURANCE

13.1. You shall notify Us in writing about any other Insurance Agreement with similar insurance covers signed with other insurance companies.

13.2. If, upon payment of Insurance Indemnity, it turns out that two or more Insurance Policies exist in respect of the Insured Property, We shall have the right, subject to present Terms and Conditions and the corresponding Policy, to indemnify the Beneficiary proportionally as per Our share within the total Sum Insured.

13.3. In case of double insurance, Insurers shall be liable for the loss as joint and several debtors.

14. SUBROGATION

14.1. After the payment of Insurance Indemnity, the right to claim damages from the person(s) responsible for the loss, up to the amount of Indemnity paid, shall be transferred to Us. However, if the damage/destruction of the property is caused by water entering from a neighboring property, fire, smoke or explosion from a neighboring property, We will exercise the right of subrogation only if the Third Party responsible for the damage caused the damage through intentional action.

14.2. The Policyholder/Beneficiary shall provide Us with all the documents and information necessary to exercise Our legal rights against responsible Third Party(ies), including the Tenant.

14.3. The Policyholder/Beneficiary shall, within its powers and capabilities, assist Us in the exercising such rights.

14.4. If the Policyholder/Beneficiary refuses to give Us such rights, or such rights cannot be exercised due to the acts/omissions of the Policyholder/Beneficiary, We shall waive Our obligation to indemnify, and if the Insurance Indemnity has already been paid, We shall have the right to request a refund of the paid amount.

15. NOTICES AND COMMUNICATIONS

15.1. For the purpose of this insurance, the parties agree that the address and/or mobile phone number specified in the Insurance Policy may be used for communication, which means that after being sent to the address or mobile phone number, a letter or message, including SMS message, shall be deemed received by You as an official notice from Us. If the notice is sent to the phone number, the date of sending of such message shall be deemed to be the date of its receipt by addressee.

15.2. We shall send You a notice to the actual address indicated in the Insurance Policy or, in case of any change of address in accordance with these Terms and Conditions, to the last notified address. Any notice/correspondence sent to such address shall be deemed to have been received by You, even if the addressee is no longer at that address or the address is incorrectly/incompletely specified.

16. DISPUTE RESOLUTION

16.1. The parties shall attempt to resolve any dispute arising out of or relating to present Terms and Conditions and the Insurance Policy through negotiations. In case the parties fail to reach an agreement, the dispute shall be conclusively resolved by the Georgian court in accordance with the current legislation of Georgia.

16.2. The Georgian language version of the present Insurance Terms and Conditions shall prevail in case of any inconsistency with the translation.

17. CONFIDENTIALITY

17.1. Any information exchanged by the parties (whether verbally or in writing) shall be deemed confidential and shall not be disclosed to any Third Party(ies) without preliminary consent of the other party, except where such disclosure is required by the current Georgian legislation or present Terms and Conditions.

18. PERSONAL DATA PROCESSING

18.1. We will process Your personal data in accordance with the requirements established by the legislation of Georgia, including for the purposes of concluding an Insurance Agreement and settling claims. In addition, You confirm that the Insurer is authorized to request any information and documentation related to the Insured Event from any institution. We are also authorized to request Your personal information and/or other necessary documentation from any private or public institution - including a company related/affiliated/under common control of JSC "TBC Insurance", the MIA Service Agency and the State Services Development Agency - in order to fulfill Our obligations under the law.

18.2. Personal data is processed in accordance with the "Personal Data Processing Policy" of JSC TBC Insurance, which is posted on the website www.tbcinsurance.ge. You can exercise Your rights as a data subject, including requesting access to the data You have provided, as well as asking Us to correct, update, supplement, block, delete or destroy Your data, except as otherwise provided by law.

18.3. You authorize Us to process Your/the beneficiary's personal data for the purpose of offering and/or quality of insurance services and/or conducting insurance-related research(s), including making Your/the beneficiary's personal data available to partner organizations.

18.4. You authorize Us to process information about Your insurance relationship with the Insurer (validity period, status, Insurance Premium, etc.) and, among other things, making it available to Our agent(s) and/or partner organizations that need access to such information to fulfill their rights and obligations and Our respective contractual or legal obligations.

APPENDIX 1

List of Household Appliances and Furniture	
Item Name	Limit of Liability
TV set	1 500 GEL
3-piece furniture set	3 000 GEL
Computer, game console	1 500 GEL
Wall cabinet	1 500 GEL
Table	1 000 GEL
Sofa	1 000 GEL
Bookshelves	800 GEL
Kitchen cupboard	2 500 GEL
Oven/extractor fan	2 000 GEL
Dishwasher	1 500 GEL
Refrigerator	1 500 GEL
Mirror	1 000 but not more than GEL 500 per unit
Audio equipment	1 500 GEL
Photo camera	1 500 GEL
Laptop	1 500 GEL
Bedroom wardrobe	1 500 GEL
Bed in bedroom	1 500 GEL
Pump	800 GEL
Washing machine	1 000 GEL
Shower cabin	1 000 GEL
Other bathroom accessories	2 000 GEL but not more than GEL 500 per unit
Chandeliers and lighting fixtures	1 500 GEL but not more than GEL 500 per unit
Carpets and curtains	2 000 GEL but not more than GEL 500 per unit
Mixers/blenders/microwave ovens	1 000 GEL but not more than GEL 800 per unit
Electric meat grinders/coffee machines	1 000 GEL but not more than GEL 800 per unit
Chairs	1 000 GEL but not more than GEL 300 per unit
Heating devices (boiler and radiators) (excluding exceptions for balconies)	1 000 GEL but not more than GEL 800 per unit
Air-conditioner	1 500 GEL
Iron/hair dryer	500 GEL
Vacuum cleaner	500 GEL