



Property Insurance Terms and Conditions No 5.1/5

Valid as of 10th of September 2019

1. Terms and definitions

Terms used in these terms and conditions but not explicitly defined herein, shall bear the same meaning as defined in the general insurance terms and conditions of ADB "Gjensidige" Latvian branch.

- 1.1. **Losses** - an amount of money payable for the insured event or a compensation of expenses for services in accordance with the terms and conditions of the insurance contract before the application of provisions of the underinsurance and deduction of the value or the salvage of the insured object and deductible.
- 1.2. **Loss assessment method** - method specified in the insurance contract for the assessment of losses caused to the insured object, which is applied during the calculation of the Insurance Indemnity.
- 1.3. **Value of the insured object** - value of the insured object, which is calculated based on the loss assessment method specified in the insurance contract.
- 1.4. **Renewal value** - loss assessment method, which defines that the losses are the least expenses required to restore the insured object to the former quality (directly prior to the occurrence of the insured event), compensating all costs of construction and the related costs of the materials to be used, as well as design costs.
- 1.5. **Actual value** - loss assessment method, which defines that the losses are the restoration expenses of the insured object, less the wear and tear (directly prior to the occurrence of the insured event).
- 1.6. **Replacement value** - loss assessment method, which defines that the losses are the least expenses required to:
 - 1.6.1. purchase an object equivalent to the insured object (of the same or equivalent quality) in the event of the total loss of the insured object;
 - 1.6.2. restoration of the insured object to the previous quality (directly prior to the occurrence of the insured event), in the event of the total loss of the insured object. Indemnifying the losses to the equipment and facilities, costs and expenses for the purchase of new parts are also reimbursed.
- 1.7. **Depreciation** - decrease of the value of the object in the process of natural and reasonable usage. In order to calculate the depreciation, the depreciation specified in the real estate technical inventory or cadastral survey file, recalculating it to the real time or depreciation stated by and independent expert may be taken into consideration.
- 1.8. **Market value** - the market value of the real estate set by a certified property appraiser in compliance with the approved standards of the Latvian Association of Property Appraisers for establishing market value of the property.
- 1.9. **Total loss** - an event shall be deemed as the total loss of the object, when its losses exceeds 70% (seventy per cents) from the value of the insured object as it was directly prior to the occurrence of the insured event or in the event when the insured object is stolen or robbed.
- 1.10. **Permanently unused property** - real estate, which is left without a person's physical supervision (neither economic activity takes place there, nor related persons are residing there, nor it is equipped with an alarm security system connected to the security post, nor a 24/7 security is ensured there) for more than 30 consecutive days.
- 1.11. **Third party** - any person apart from the related persons, policyholder and insured.
- 1.12. **Related person** - employees of the insured or the policyholder or persons with whom the insured or the policyholder have signed an agreement of lease, rent, lending, loan or any other type of agreement on the insured object or any part thereof that entitles to use the insured property, as well as the custodial services agreement and persons, who use the insured object with a permission of the policyholder.
- 1.13. **Underinsurance** - an event when the sum insured is less than the value of the insured object for more than 10% (ten per cents).
- 1.14. **Overinsurance** - a situation where the sum insured exceeds the value of the insured object.

2. Insured object

Insured object is a real estate or movable property specified in the insurance policy.

An insured object may be:

- 2.1 **Real estate:**
 - 2.1.1. **Building:**
 - 2.1.1.1. building constructions permanently attached to the ground with internal and external finishing and the constructive elements of the building (including windows, their glass, external blinds and sun-blinds, doors, stairs, elevators, built-in stoves, ovens, fire places etc.), which are inalienable parts of the building, which cannot be changed or taken off without damaging the constructions of the building;
 - 2.1.1.2. engineering networks necessary for the use of the building (water supply and sewerage systems, heating system, gas supply system, ventilation and conditioning systems, electricity systems, including built-in lighting objects), which are inalienable part of the building inside of the building, as well as outside up to their connections to the main pipelines, if those are located on the territory possessed by the insured;
 - 2.1.1.3. fire-safety, anti burglary, communication systems and their equipment, which is inalienable part of the building inside of the building, as well as outside up to their connections to the service providers, if those are located on the territory possessed by the insured;
 - 2.1.1.4. In addition to the building the following are insured:
 - 2.1.1.4.1. improvement of the territory - gates, fences, boom barriers, sheds and protective walls, which are not parts of the building, outdoor pools, lighting objects permanently connected to the ground, surfacing of the yards and territories. Indemnity limit for the insured objects specified in this sub-Clause shall be defined in the amount of 5% (five per cents) from the sum insured of the building, but no more than EUR 5,000 (five thousand euros, 00 cents);
 - 2.1.1.4.2. signboards and antennas - antennas, advertising and other signboards, performing similar functions, installed to the external constructions of the buildings and are not part of the buildings. Insurance indemnity limit for the Insured objects specified in this sub-Clause shall be defined in the amount of 5% (five per cents) from the sum insured of the building, but no more than EUR 5,000 (five thousand euros, 00 cents).
 - 2.1.2. **Parts of the building of the joint property** - parts of the building (in compliance with Clause 2.1.1), which are in the joint property of the owners of the building up to their connection to the separate real estates.
 - 2.1.3. **Premises:**
 - 2.1.3.1. constructions and constructive elements of the premises up to load bearing constructions (including windows of these premises, their glass, external blinds and sun-blinds, doors, stairs, built-in stoves, ovens, fire places, finishing of floors and walls, etc.), which is an inalienable part of these premises;
 - 2.1.3.2. engineering networks necessary for the use of the premises (water supply and sewerage systems, heating system, gas supply system, ventilation and conditioning systems, electricity systems, including built-in lighting objects), which are built-in and are located inside the premises up to their connections with the premises of the joint property of the building or outside, are installed to the external constructions of the building and are functionally connected to the systems inside;
 - 2.1.3.3. fire-safety, anti burglary, communication systems and their equipment, which are built-in and are located inside the premises up to their connections with the premises of the joint property of the building or outside, are installed to the external constructions of the building and are functionally connected to the systems inside;
 - 2.1.3.4. part of the joint property legally connected to the premises.
 - 2.1.4. **Investments in the repair of the rented premises** - investments in the repair works or commodities performed in the rented premises in accordance with the documents evidencing such expenses.



2.2. Movable property:

- 2.2.1. **Equipment and facilities** – technological equipment, systems and their facilities, intended for the use in the production process, as well as furniture and facilities, intended for the use in the economic activity.
- 2.2.2. **Goods** – goods for sale, goods in production (including raw materials and semi-finished goods) and goods accepted in the possession with a goal to improve, repair or maintain them, while conducting the economic activity.

3. Insured rescue expenses

- 3.1 In addition to the insured object, the following costs and expenses related to the insured event are insured:
- 3.1.1. reasonable and proved expenses of the insured claimed to the insurer for emergency elimination of damages and reduction of losses, and for rescue measures;
- 3.1.2. fire fighting expenses that are reasonable and required to prevent the loss of the insured property or to reduce the losses, except labour costs and suchlike payments;
- 3.1.3. expenses for removal of ruins and cleaning works, and the removal and destruction of the damaged property, dismantling of equipment, breaking down of parts of buildings or enlarging openings, not exceeding the Indemnity limit of 15% (fifteen per cents) from the sum insured.

4. Insured risks

The insurance contract shall be valid only with regard to the risks specified in the insurance policy. If the risk is not specified in the Insurance policy, it is not insured.

4.1.1 Fire risks:

- 4.1.1. **fire** – unforeseen and uncontrollable burning with open flames. Damage caused to the insured object due to soot, smoke and fire fighting activities, if that has been caused by fire;
- 4.1.2. **lightning stroke** – direct effect of lighting on the insured object;
- 4.1.3. **explosion** – instantaneous (explosive) chemical transformation of a substance or mixture that causes increased pressure (a shock wave). Explosion of a reservoir shall mean a sudden destructive expression of pressure force when the walls of the reservoir are destroyed to the extent that the pressure within and outside of the reservoir levels off. Sudden levelling of the pressure (implosion) due to low pressure shall not be deemed an explosion;
- 4.1.4. **falling of a controllable aircraft, its parts or cargo carried by it** on the insured object.
- 4.2. **Natural disasters:**
- 4.2.1. **storm** – wind with the speed above 15 m/s;
- 4.2.2. **flood** – an overflowing of water on the territory that has run over the boundaries of reservoirs or natural water basins caused by forces of nature, including a storm. Overflowing of the territories (places) of a periodical (seasonal) character and where it occurs more than once in 5 years shall not be deemed flood;
- 4.2.3. **hail** – direct effect of precipitation in the form of hail stones on the insured object;
- 4.2.4. **continuous snowing** – a sudden increase of a snow layer by at least 100 mm in the period of 24 hours if the damages have occurred during snowing or no later that within 48 hours after the end of such snowing;
- 4.2.5. **earthquake** – shaking of the surface of the earth resulting from the vibrations of the Earth crust above 4 balls according to the Richter scale;
- 4.2.6. **falling of trees, masts and poles** that has not been caused by the activity of people.

4.3. Fluid leakage:

- 4.3.1. a sudden and unforeseen breach or fracture of internal pipelines in the real estate, which ensure the engineering communications necessary for the use of the building, their devices and equipment except the one caused by frost;

- 4.3.2. an action taken or failure to act by third parties which has caused fluid leakage or steam escape from internal engineering communication systems of the building;
- 4.3.3. fluid leakage caused by automatic reaction of correctly operated fixed automatic fire extinguishing systems and equipment;
- 4.3.4. fluid leakage due to failure of pipelines which branch off the insured building to the main pipeline and ensure the engineering communications necessary for the use of the insured real estate property.
- 4.4. **Third persons' illegal activities:**
- 4.4.1. **burglary** – a deliberate, illegal theft, damage or ruin of the insured object if it is committed by third parties by means of illegal entering into locked buildings or premises with evident traces of a burglary. Theft, damage or destruction of the insured object located outside the building without illegal entering into locked buildings or premises or without evident traces of a burglary with regard to the following insured objects shall also be deemed a burglary: external constructions, engineering communication systems necessary for the use of the building, fire-safety, anti burglary, communication systems and their facilities. Fraud, appropriation, extortion of property shall not be deemed as a theft;
- 4.4.2. **robbery** – an attack to a person that is connected with violence or threats of violence and that is dangerous to the life or health with an aim to obtain the insured object;
- 4.4.3. **malicious damage** – deliberate destruction or damage of the insured object that is not related to the risk “burglary” or “robbery”;
- 4.4.4. **collision** – any direct impact to the insured property caused by any type of a land vehicle, loading or unloading mechanisms due to the activities of or failure to act by third parties.
- 4.5. **Electric phenomena** – losses or damage to the insured object due to sudden and unexpected electric damages, including indirect lightning stroke, not exceeding Indemnity limit above EUR 5,000 (five thousand euros, 00 cents).
- 4.6. **Losses caused by frost** – losses or damage to the insured object due to sudden and unexpected break or fracture of pipelines, their facilities and equipment caused by frost. Losses shall be reimbursed once during the insurance period, not exceeding the indemnity limit EUR 5,000 (five thousand euros, 00 cents), unless the insured object is a permanently unused property.

5. Exclusions

- 5.1 The Insurer shall not compensate the losses incurred as a result of:
- 5.1.1. exposing the insured object to processing or other processes where fire or heat is used (for example, welding, soldering etc.);
- 5.1.2. only due to overheating, melting or smouldering if such has not been caused by the insured risks;
- 5.1.3. explosion caused by guns and other devices where the energy of explosion is deliberately used;
- 5.1.4. blast caused by using substances and equipment the aim of which is to use the energy of explosion;
- 5.1.5. water, hail or snow penetration into building or premises through windows, doors, roof, seams of building, foundations, external walls, drainage pipes and other construction elements of the building, and also from streets, pavements, squares and inner yards;
- 5.1.6. leaving the movable property in the open air unless it is required by the specific use of the property;
- 5.1.7. rising of groundwater and sewage water level or overflowing of water collection and/or sewerage systems and roof drainage pipes, if the rising of level or overflowing are not directly caused by the insured risks;
- 5.1.8. overflowing of the territories (places) of a periodical (seasonal) character and where it occurs more than once in 5 years;
- 5.1.9. floods caused by a storm, if the risk - floods is not insured;



- 5.1.10. a storm, continuous snowfall or earthquake, if the occurrence of this risk is not verified by the Latvian Environment, Geology and Meteorology Centre. Regardless of the above mentioned, the occurrence of the insured risk - storm may also be established in the events, when the Latvian Environment, Geology and Meteorology Centre does not confirm the wind speed specified in these terms and conditions, if it is unmistakably verifiable that other buildings and objects located in the surroundings of the insured object and which were in good condition prior to the storm, have also been damaged as a result of the wind.
- 5.1.11. accumulation of condensate;
- 5.1.12. water leakages in engineering communication systems unless they have been caused by the insured risks;
- 5.1.13. sudden leakages of cooling agents unless they have been caused by the insured risks;
- 5.1.14. costs for refill liquid in the engineering systems (including in the technological systems and equipments);
- 5.1.15. to goods if they are not placed on a hard pallet at least 10 cm above the floor level;
- 5.1.16. if no measures have been taken against the entry of third parties into the insured territory (unlocked door, windows etc.);
- 5.1.17. the loss or deficiency if discovered during stocktaking;
- 5.1.18. errors or malfunctions of any microprocessor hardware (computers, technological equipment, control systems etc.) and its software;
- 5.1.19. electric or electronic devices of any type and their insulators due to short circuit or other electrical phenomena or lightning stroke that have not caused fire, except when the risk "electric phenomena" has been insured;
- 5.1.20. internal mechanical faults or breakage;
- 5.1.21. deliberate actions, malicious intent, gross negligence or criminal activity by the insured or the policyholder or the related persons;
- 5.1.22. breach of normative regulations, construction standards, regulations on technical operation and fire safety and administrative decisions by the insured or the policyholder, or their related persons;
- 5.1.23. low-quality works or services or the use of inappropriate building materials as well as wrong designing performed by the insured, the policyholder or persons hired by them;
- 5.1.24. serious breach of normative regulations, construction standards, regulations on technical operation and fire safety and administrative decisions of the Republic of Latvia during construction of the real estate if the construction of the real estate is performed by the insured or the policyholder or it has been performed upon the order by the insured or the policyholder or the real estate was purchased and the insured or the policyholder has been aware of the violation (including if such a violation may be visually verified);
- 5.1.25. construction, renovation or reconstruction works in the insured object (real estate), if for the performance of such works a building permit is required or as a result of the performed the repair or maintenance of the Insured object (movable property);
- 5.1.26. installation, demolition, testing of the insured object;
- 5.1.27. property arrest performed by any state institution and due to changes in administrative regulations and legal enactments;
- 5.1.28. depreciation, corrosion, wear and tear or due to similar processes;
- 5.1.29. dry and wet rot, mould, fungi or bacteria, insects, worms, rodents or due to effects of other animals;
- 5.1.30. nuclear explosion, radiation or radioactive pollution as well as environmental pollution and poisoning;
- 5.1.31. third party liability, lost profit, delayed supplies, breaks in production and trade, default of contractual obligations, contractual penalties and other indirect losses or losses of financial nature even though they have been caused by the insured event;
- 5.1.32. blasting sanctioned by the state or municipal governmental institutions or performed by the insured or the policyholder;
- 5.1.33. decisions taken by state, municipal or court institutions;
- 5.1.34. war, invasion, external enemy activity, insurrection, revolution, uprising, military operation or illegally attained power;
- 5.1.35. terrorism;
- 5.2. Unless exclusively specified in the insurance contract, the insurer shall not reimburse losses incurred to:
- 5.2.1. jewellery, collections of medals, coins, stamps and other collections, paintings, exhibition items, unique, antique and other items with artistic value;
- 5.2.2. securities, documents, deeds, designs, original drawings, models, archives;
- 5.2.3. personal belongings of the related persons;
- 5.2.4. cash;
- 5.2.5. computer programs, data, databases and data carrying media;
- 5.2.6. slot machines, coin changing machines and ATMs;
- 5.2.7. guns, munitions;
- 5.2.8. constructions and structures that are not intended for a long-term operation (mobile carriages, premises built of inflatable constructions, tents etc.) or are not permanently attached to the ground;
- 5.2.9. unfinished buildings, constructions and structures or those being under construction;
- 5.2.10. buildings, constructions and structures being in an emergency condition and possessions therein;
- 5.2.11. unattended or unoccupied buildings, constructions and structures and the property therein;
- 5.2.12. motor vehicles subject to registration (vehicles, which shall be registered at the Road Traffic Safety Directorate or the State Agency of Technical Surveillance or suchlike institutions);
- 5.2.13. mobile machinery, used in the construction, agriculture, forestry operations, warehouses, ports, servicing;
- 5.2.14. berths, pontoons, canals, moles, piers, bridges;
- 5.2.15. water transport, air transport, railway transport;
- 5.2.16. forest, corn-field, plants, trees, domestic animals and other living bodies.
- ## 6. Sum insured
- 6.1. The policyholder shall be liable for the correspondence of the sum insured specified in the insurance contract to the value of the insured object (the value of the insured object shall be defined taking into consideration the loss assessment method specified in the insurance contract). In case the sum insured is smaller or bigger than the value of the object directly prior to the occurrence of the insured event, the conditions of underinsurance or overinsurance shall be applied upon occurrence of an insured event.
- 6.2. Upon conclusion of the insurance contract, the loss assessment method shall be specified in the insurance contract, which is applied during the calculation of the insurance indemnity. The real estate may be insured in the renewal or actual value. Goods, equipment and facilities may be insured in their replacement value.
- ## 7. Changes of the insured risk
- 7.1. The insured or the policyholder shall have the obligation during the entire validity period of the insurance contract to immediately inform the insurer in writing regarding changes in the information about the insured object and about all circumstances he/she is aware of that may significantly increase the probability of occurrence of the insured risk or the extent of the potential losses including but not limited to one of the following:
- 7.1.1. changes in the security or fire safety systems of the insured object;
- 7.1.2. any changes in regard to the use of the insured object or qualities of the insured object before occurrence of such changes, including, but not limited to the listed ones, such as temporary suspension or termination of the use, termination of economic activity in the insured object;
- 7.1.3. performance of construction, renovation or reconstruction works, if for the performance of such works a construction permit is required;



7.1.4. letting out, renting out, pledging of the insured object or any other encumbrance with the rights in things or rights of obligations or debts, the loss of possession of the insured object, alienation and other prohibitions imposed on the insured property, making of the insured object a subject of any obligations, and the transfer of property rights or rights of use to restrictions of the insured objects;

8. Conduct of the insured upon occurrence of the insured event

8.1 Claim application

8.1.1. After the losses are incurred, the insured shall immediately report to:

8.1.1.1. the State Fire and Rescue Service in case of fire or explosion;
8.1.1.2. the respective emergency service and to the manager (owner) of the building or to the Municipal police in case of engineering network accident;

8.1.1.3. in case of illegal activities of third parties - the Police;

8.1.1.4. the Traffic Police in case of collision with a motor vehicle.

8.1.2. As soon as it becomes possible the Insured shall immediately inform the insurer about the occurred event and shall take all the possible and reasonable measures to reduce losses and shall observe all the Insurer's indications, if such are given.

8.1.3. The insured shall submit a written claim to the insurer (e.g., by filing in the application on the insurer's website) within 3 (three) business days following the day when the event took place and shall agree with the insurer on the time of an inspection of the place of accident.

8.2 Proof of loss

8.2.1. After submission of the claim the insured shall ensure the possibility for the insurer to perform an inspection of the place of the insured event and the damaged insured object, and shall ensure a possibility to carry out investigation to detect causes of the insured event and extent of any loss.

8.2.2. After inspection of the place of Insured event the insurer's representative shall fill in an inspection report on the detected damages and shall provide instructions the execution of which shall be compulsory for the Insured. The elimination of damages or the restoration of the insured object, moving or removal of any parts thereof shall not be allowed without a written consent of the insurer.

8.2.3. In case the insurer does not perform an inspection within 3 (three) business days following the day when the application was submitted, the insured shall be entitled to commence elimination and restoration of damages.

8.2.4. Information on measurements taken by the Latvian Environment, Geology and Meteorology Centre in the station nearest to the insurance object shall be deemed as a confirmation of occurrence of the storm, continuous snowfall or an earthquake.

8.2.5. Upon the insurer's request a list of the damaged, stolen or destroyed movable property shall be provided. The date of purchase, value, description and condition of the movable property directly prior to the occurrence of the insurable event shall be included in the list. The insurer shall be entitled to request documents certifying the purchase of movable property.

8.3 Consequences of default of obligations by the insured

8.3.1. The insurer shall be entitled to refuse the payment of the insurance indemnity if the insured:

8.3.1.1. fails to fulfil any of the obligations referred to in Clause 8.1.1–8.1.2, 8.2.1 - 8.2.2 of the terms and conditions;

8.3.1.2. fails to fulfil obligations provided under these terms and conditions due to malicious intent or gross negligence, except obligations listed under Clause 8.3.1.1;

8.3.1.3. fails to show the remains of the damaged objects, except the cases when they are fully destroyed;

8.3.1.4. fails to submit to the Police a list of the stolen or robbed movable property, or if the Police does not confirm the theft or robbery of particular items.

8.3.1.5. upon conclusion of the insurance contract, during its validity or after incurring losses provides false information or refuses to submit the information requested by the insurer.

8.3.2. The insurer shall be entitled to refuse the payment of the insurance indemnity in case the institutions listed under Clauses 8.1.1.1 – 8.1.1.4 do not confirm the fact of occurrence of the respective risks.

8.3.3. The insurer shall be entitled to reduce the insurance indemnity up to 50% if the insured has failed to fulfil obligations provided under these terms and conditions as a result of minor negligence, except obligations referred to in Clause 8.3.1.1.

9. Calculation of insurance indemnity

9.1. Before the calculation of the insurance indemnity the insurer based on the loss assessment method specified in the insurance contract shall calculate the losses taking into consideration the following conditions:

9.1.1. the total amount of the losses and other reimbursable costs (including the rescue expenses) shall not exceed the sum insured of the respective insured object specified in the insurance contract;
9.1.2. regardless the loss assessment method specified in the insurance contract, in the event the depreciation of the insured object (real estate) directly prior to the occurrence of the insured event is bigger than 50% (fifty per cents), the losses shall be assessed by applying the loss assessment method - actual value;

9.1.3. losses to the movable property - goods in production - shall be calculated based on the direct production and material costs, direct labour costs and administrative costs. These costs shall not exceed the amount for which the finished products could have been sold in the given period of time;

9.1.4. losses to the rented or accepted movable property (accepted for repair, storage, etc.) shall be calculated in accordance with their value specified in the rental agreement or transfer-acceptance report or in the accounting documents; however it may not be bigger than their replacement value;

9.1.5. losses for the damage or loss of a part of the joint property legally connected to the premises shall be calculated in proportion to the joint property share owned by the insured in accordance with the submitted documents justifying the extent of the loss.

9.2. Upon the calculation of the insurance indemnity:

9.2.1. in case of underinsurance the losses are decreased in accordance with the proportion of the sum insured specified in the insurance contract against the value of the insured object;

9.2.2. in case of overinsurance the losses are calculated based on the loss assessment method specified in the insurance contract, not exceeding the value of the particular insurance object;

9.2.3. the calculated amount of loss shall be subject to a deductible specified in the insurance contract. The deductible shall not be deducted if the insurable object is damaged as a result of a road traffic accident caused due to the fault of the third person that is reported in a respective decision of the Road Traffic Police or in the agreed statement.

9.3. When calculating the Insurance Indemnity in case of complete loss of the insurable object, the value of the usable salvage shall also be deducted from the amount of loss. If upon the insurer's request and the consent of the insured the salvage of the insured object is transferred to the possession of the insurer, then the value of salvage shall not be deducted from the amount of loss.

9.4. With regard to the real estate, after the calculation of the insurance indemnity the insured shall be entitled to choose:

9.4.1. direct payment of costs to the construction company or other company approved by the insurer to the amount that does not exceed the calculated amount of the insurance indemnity. In this case before the reimbursable losses are paid, the insured shall pay the deductible as specified in the insurance contract; or

9.4.2. payment of the insurance indemnity to the insured as a monetary compensation. In this case:



- 9.4.2.1. if the total loss of the real estate was established, regardless the loss assessment method specified in the insurance contract, the extent of the insurance indemnity shall be recalculated, stating the losses in the real estate market value, but not exceeding the value of the insured object in compliance with the loss assessment method specified in the insurance contract;
- 9.4.2.2. if the total loss of the real estate was not established, regardless the loss assessment method specified in the insurance contract, the extent of the insurance indemnity shall be recalculated, not including taxes, extra costs and profit in the losses.
- 9.5. The insured shall be entitled in the cases specified in Clause 9.4.2.1 and 9.4.2.2 within 2 (two) years from the day when the Insurer took the decision on the payment of the insurance indemnity, to request to recalculate the insurance indemnity in accordance with the loss assessment method specified in the insurance contract, if he/she has submitted documents to the Insurer, which confirm the restoration of the real estate and the coverage of the restoration costs.

10. Sum insured after the insurance indemnity payout

- 10.1. If the paid insurance indemnity does not exceed 10% of the sum insured of the particular insured object, the initial amount of the sum insured shall not be reduced.
- 10.2. If the paid insurance indemnity exceeds 10% of the sum insured specified in the insurance contract for the particular insured object, the insurance contract shall remain valid to the extent of the difference between the sum insured specified in the insurance contract for the particular insured object and the paid insurance indemnity.
- 10.3. If the insurance indemnity for any insured object is paid in full amount of the sum insured of the particular insured object, then with regard to this insured object the validity of the contract shall be terminated.