

HOUSEHOLD INSURANCE POLICY

No.

In consideration of the insurance premium paid The Insurance Company agrees to indemnify the Insured in conformity with the General Conditions of this Insurance Policy on occurrence of property or liability loss during the Period of Insurance, up to the Sums Insured.

Date:2008

Signed for:

Signed for The Insurance Company:

DEFINITIONS: To the effect of this insurance policy

INSURED is the policyholder, named in the policy. On his/her request all persons expressly authorised by him may avail themselves of the rights of the Insured following the order established by law.

INSURED PREMISES is the dwelling-place, described in the policy, located in the territory of the Republic of Bulgaria with the exception of

[1] any common parts and

[2] attics, cellars and other premises therein, which are not designed for permanent occupancy.

REINSTATEMENT IN THE SAME TYPE AND QUALITY means

[1] reinstatement of the damaged property by way of repair (in case of partial loss) to its position, condition and level of fitness before the occurrence of the insured event or

[2] replacement (in the case of a total loss) with another one, available in the market, which is of the same type/brand/design/series production as the damaged one, or if it is out of stock - with property of the same type, which is of the nearest possible quality, configuration and value.

I. OBSERVANCE

The observance of the conditions under this Insurance Policy is a condition precedent to any liability of The Insurance Company for payment of insurance indemnity.

II. CONCLUSION

The insurance policy is issued after a pattern of The Insurance Company. On conclusion of the insurance the Insured is bound to advise all circumstances in relation to the risk assessment and will be held liable for the truthfulness and completeness of the information submitted.

III. SUM INSURED

The sum insured - limit in the aggregate for the period of the insurance, will be specified by the Insured under the policy for each clause and type of property in separate. On payment of insurance indemnity the amount of the sum insured will be reduced by the amount of the indemnity paid.

IV. PREMIUM

The insurance premium will be determined by The Insurance Company and will be payable in full on submission of the policy. No insurance indemnity will be paid by The Insurance Company in case of non-payment of the premium.

V. VALIDITY

The insurance will come into effect at 00.00 hours on the day following the day of payment of the insurance premium, and will expire at 24.00 hrs on the day, mentioned as date of expiry of the policy.

VI. CHANGE

The Insurance Company will issue an Endorsement for any change in the terms and conditions of the insurance policy.

The Insured will be obliged during the period of the insurance to advise The Insurance Company of all material changes with regard to the risk circumstances under this Insurance Policy, even if they have occurred without his/her consent or participation. The notification of the change shall be given immediately after the Insured has become aware of it. In case of non-compliance by the Insured with this obligation The Insurance Company shall be entitled to terminate the insurance contract or change the terms and conditions of the policy, or in the event of any occurrence, to reduce the amount or totally refuse payment of insurance indemnity, unless the event has not occurred as a result of the increased risk.

VII. SAFETY PRECAUTION

The Insured is bound to keep the insured property in good repair and to undertake all expedient, ordinary and reasonable measures for the prevention of any loss, damage or liability.

VIII. REDUCTION OF LOSSES

The Insured will be bound on occurrence of an insured event, to take at his/her expense all reasonable and due steps to secure and protect the insured property or any parts left therefrom and to ensure his/her rights against third parties.

The Insured will not effect any payment or settlement or admit liability without the prior written consent of The Insurance Company.

The Insurance Company is entitled to take steps on their initiative to reduce or minimise the loss or damage and give the Insured obligatory instructions in writing to undertake such measures, without prejudging the Insured's right of indemnity by so doing.

IX. GENERAL EXCLUSIONS

Excluded under this policy will be:

1. Loss of or damage to the insured property or liability
 - [1.1] resulting from a willful act of the Insured, any member of his/her family or household or any person acting in complicity with anyone of the above;
 - [1.2] resulting from invasion, hostilities, war /whether declared or not/, civil war, riot, revolution, insurrection, military or usurped power, strike, lock-out, terrorism, civil commotion;
 - [1.3] resulting directly or indirectly from volcanic eruption; ionizing radiation or radioactive contamination; radioactive, toxic, explosive or other properties of nuclear assembly or its component;
 - [1.4] as a result of an earthquake, unless included under Clause C;
 - [1.5] having occurred beyond the period of validity of the policy.

2. Consequential loss of any kind or description.

X. CLAIMS ADVICE

The Insured is bound

1. To advise immediately after being notified of any occurrence covered under the terms and conditions of this insurance policy, the fire brigade and/or the police and/or other competent authorities, if required by the nature of the insured event. Meanwhile, the Insured shall notify The Insurance Company in writing within 24 /twenty four/ hours and keep the damaged property for survey by representatives of The Insurance Company and allow their access to the premises.

2. To submit to The Insurance Company:
 - [2.1] A list and description of the destroyed/ stolen/ damaged property;
 - [2.2] a claim for indemnity in writing within 10 /ten/ days after the date of notification;
 - [2.3] a document issued by the fire brigade/police and other authorised bodies, if necessary, certifying the occurrence of the insured event.

3. The Insured will be bound to submit also any other documents in relation to the insured event additionally required by The Insurance Company.

XI. OTHER INSURANCES

If at the time of the loss or damage covered under this insurance policy there is another insurance, which covers totally or partially such loss or damage, The Insurance Company will not be liable for more than its proportional part. The Insured will be bound to notify The Insurance Company of the existence of such insurance policies.

XII. RIGHTS AND OBLIGATIONS OF THE INSURED

1. The Insured shall have the right to be paid the indemnity due within 15 /fifteen/ days after submission of all necessary documents.

2. If after payment of insurance indemnity the property insured is totally or partially reinstated to the Insured or he/she is indemnified by any third parties, the Insured will be bound to refund totally or partially to The Insurance Company the insurance indemnity paid.

XIII. RIGHTS OF THE INSURANCE COMPANY

1. The Insurance Company shall be entitled at their expense to undertake actions, to hold negotiations and enter into agreements with a view to carrying into effect the liability of third parties in respect of which The Insurance Company has the right of subrogation under this insurance policy and also in connection with claims made by third parties with regard to the

insured event. The Insurance Company has the right at its own expense to require from the Insured to undertake all reasonable steps for the accomplishment of the above.

2. The Insurance Company has the right to appoint experts /loss adjusters/ to assess the amount of the loss and other circumstances related to the insured event.

XIV. TERMINATION

This insurance policy may be terminated by each of the parties by giving 14 /fourteen/ days notice in writing to the other party. The termination will not infringe upon the rights of the parties until the expiry of the term of the notice.

The Insurance Company will refund to the Insured the respective proportional part of the insurance premium paid for the unexpired period of the insurance provided no indemnity has been paid.

XV. TIME LIMIT

The rights under this insurance policy shall become void upon expiry of 3 /three/ years from the date of occurrence of the insured event and under Clause D (Public Liability) - upon expiry of 5 /five/ years from the date of occurrence of the insured event.

XVI. CORRESPONDENCE

Any report or notification addressed to The Insurance Company, according to the terms and conditions of this insurance policy shall be made in writing and shall bear the policy number.

XVII. JURISDICTION

In the event of any dispute between the parties with reference to this insurance policy they will do their utmost to settle it on a voluntary basis by agreement. Should that prove to be impossible, the parties may refer the dispute to the respective Bulgarian Court of Justice for consideration.

XVIII. CHOICE OF LAW

This insurance contract has been drawn up in conformity with the Bulgarian legislation and is subject to the Bulgarian law.

In case of dispute the Bulgarian language will prevail.

BASIC COVER

1. SCOPE OF COVER

CLAUSE A

- [1] fire (incl. the consequences of its extinguishment);
- [2] explosion of vessel under pressure;
- [3] natural hazards: storm, hurricane, hail, flood, incl. falling trees and branches;
- [4] escape of metered water (incl. forgotten taps);
- [5] malicious acts of third parties (vandalism);
- [6] impact by any mechanically propelled vehicle or crewed aircraft or objects falling therefrom;

CLAUSE B:

Burglary perpetrated by destruction, damage or undermining of fences solidly built to protect the insured property and persons;

2. Subject of insurance

2.1. Building

own rented

2.2. Contents

3. Exclusions:

Excluded under the conditions of the policy is any loss or damage to the insured property:

- [1] subjected to fire or heat, or in direct contact with heated object;
- [2] caused by explosive, combustible, erodent or other hazardous materials, which are not stored properly in the insured premise;
- [3] caused directly or indirectly by lightning;
- [4] in case the regular storage conditions are not followed;
- [5] caused by escape of rain, hail, snow through openings, damaged roofs or open windows and doors;
- [6] caused by rust, corrosion, wear and tear, scratching, scraping, dismemberment, poor workmanship or project flaw, moth, vermin, insects, rodents, humidity, mould;
- [7] caused by short circuit or current rush without excluding loss or damage of insured property arising as a result of short circuit induced fire;
- [8] caused by the risks enlisted under item IX of the General Conditions.

Не са предмет на застрахователно покритие по тази полица:

- /1/ money, credit cards, securities, precious metal articles, jewellery, precious stones;
- /2/ any documents, plans, projects, computer, audio, video records and information;
- /3/ pets, flowers, garden and agricultural vegetation;
- /4/ works of art, arms, hunting and numismatic collections;
- /5/ mechanically propelled vehicles and any type of watercraft;

4. Indemnification:

In the case of covered under the current policy loss or damage The Insurance Company shall pay off to the Insured an insurance indemnity for the insured property defraying the expenses for rebuilding it in the same mode and quality through repair works (in the event of partial damage)

or replacement (in the event of total loss) up to the extent of the respective Sum Insured. All additional expenses incurred by the insurance occurrence for:

[1] improvement, refinement and modification of the damaged property or

[2] temporary adjustments / minor repairs, which are not part of the final repair / replacement and add to the total expenses are on the Insured's account;

The Insurance Company. has the right on its own judgement and with the consent of the Insured to rebuild the damaged or destroyed property or part of it, instead of paying an insurance indemnity or join other Insurers for that purpose under the condition that the incurred expenses can never exceed the Sum Insured;

ADDITIONAL COVER

At the choice of the Insured and after payment of additional insurance premium The Insurance Company provides insurance cover for:

CLAUSE C: EARTHQUAKE

CLAUSE D: PUBLIC LIABILITY for damages caused by insured property under this policy. The Insurance Company does not provide insurance coverage for professional liability or any liability related to or directly arising from the use of motor vehicles.

CLAUSE E: RENTAL FOR ALTERNATIVE LODGING is provided, in case of necessity, to the householder in another building with similar conveniences, in case the insured premises have become unfit for dwelling as a result of any occurrence covered under Clause A. The cover under this clause shall be valid only for the period in which the premises shall be repaired and shall not exceed 6 /six/ months' period and the amount of the specified limit.

CLAUSE F: LOSS OF RENTAL INCOME resulting from an occurrence, covered under Clause A, which has made the lodging unfit for the purposes it was rented. The cover shall be valid only for the period in which the lodging or the premises shall be repaired and shall not exceed 6 /six/ months and the amount of the specified limit.

HOUSEHOLD INSURANCE POLICY

<i>Policy No</i>	
<i>Insured</i>	
Address	
Address of the Insured Property	
Period of Insurance	From to(both days inclusive)

ПОКРИТИЕ COVERAGE	ЗАСТРАХОВАТЕЛНА СУМА SUM INSURED	ЗАСТРАХОВАТЕЛНА ПРЕМИЯ INSURANCE PREMIUM
<i>Clause A</i>		
- buildings	<i>100.000 euro</i>	230 euro
- contents	<i>5.000 euro</i>	15,5 euro
Clause B - <i>BURGLARY</i>		
- contents		
Clause C - <i>EARTHQUAKE</i>	<i>105.000 euro</i>	31,5 euro
Clause D - Public Liability	<i>5.000 euro</i>	20 euro
Clause E - Rental for alternative lodging		
Clause F - Loss of Rental Income		
<i>/Total Premium:</i>		297 euro