

**ADIRA ZAHAV**  
**ALL RISKS INSURANCE FOR**  
**THE APARTMENT AND CONTENTS**  
**November 2019 Edition**

**CONTENTS**

PREAMBLE..... 3

DEFINITIONS ..... 4

GENERAL EXCLUSIONS TO ALL THE POLICY CHAPTERS ..... 5

THE INSURED EVENT - CHAPTERS A AND B ..... 6

CHAPTER A – APARTMENT INSURANCE..... 6

CHAPTER A1 – ADDITIONAL SUM INSURED INSURANCE FOR A CONDOMINIUM..... 13

CHAPTER A2 – EXTENDED INSURANCE IN REGARD TO AN ADDITIONAL SUM INSURED FOR A CONDOMINIUM ..... 14

CHAPTER B – CONTENTS INSURANCE..... 15

CHAPTER C – TERROR DAMAGE INSURANCE  
(as part of the hostilities and terror attack exclusion) ..... 23

CHAPTER D – THIRD PARTY LIABILITY INSURANCE ..... 25

CHAPTER E – THE EMPLOYER’S LIABILITY VIS-À-VIS HOUSEHOLD EMPLOYEES ..... 28

CHAPTER F – GENERAL CONDITIONS FOR ALL THE POLICY CHAPTERS ..... 30

## **PREAMBLE**

This Policy is a contract between Harel Insurance Company Ltd. (hereinafter the “Insurer/ Company”)

And

The Insured whose name is noted in the specification (hereinafter the “Insured”), whereby the Insurer agrees to pay the Insured insurance benefits by reason of an insured event occurring during the insurance period, within the limits of the sums insured, in consideration of the insurance fees.

The insurance fees, insurance period and the sums insured are specified in the Schedule which constitutes an integral part of this Policy.

The insurance cover under each of the Policy chapters and/or the additional covers noted in the policy will take effect only if the policy and/or specification explicitly notes that the insurance cover in regard thereto is valid or included.

The above preamble, the proposal form, the specification document and any other document or information submitted to the insurer constitute the basis of this policy and an integral part thereof.

## DEFINITIONS

"**Condominium**" - a building registered as a condominium in the land registers as well as a house which is not registered as aforementioned, provided that it includes at least two apartments.

"**Family members**" - the spouse, children, parents or other relatives of the insured who live together with the insured permanently in the apartment.

"**Apartment**" - the structure of the apartment or house mentioned in the specification and whose main use is as a residence, including balconies, piping (including gas piping), sewerage and plumbing installations, heating installations, air conditioning systems, boilers, solar water heating systems, telephone and electrical installations belonging to the apartment, gates, fences and paved roads belonging to the apartment, as well as all the permanent parts or fixtures. In addition, if the apartment is in a condominium - also including the insured's share in the condominium common property as well as special annexures attached to the apartment (including a storeroom).

"**Earthquake**" - including a tsunami caused by an earthquake. A sequence of earthquakes over the course of up to 72 consecutive hours after the first earthquake occurrence shall also be deemed a single event.

"**An unoccupied apartment**" - an apartment which has been vacant for more than 60 consecutive days or which in practice has not been lived in regularly for over 60 consecutive days.

"**Household worker**" - a worker in the direct service of the insured, whether he lives with the insured or not.

"**Geographical area**" - in the geographical area of the State of Israel or in the "region" as defined in the Law for Amendment and Extension of the Emergency Regulations (Judea and Samaria - Judgment of Offenses and Legal Aid) 5767-2007.

## **GENERAL EXCLUSIONS TO ALL THE POLICY CHAPTERS**

This Policy does not cover loss or damage resulting from one or more of the following causes:

1. War, invasion, hostilities, terror attacks.
2. Civil war, rebellion, military or popular uprising, revolution.
3. Ionizing radiation, radioactive contamination, nuclear processes, nuclear material or nuclear waste.
4. Seizure, expropriation, confiscation or destruction or demolition of property by the government, the army, a local authority or a person acting in accordance with the law.

## **THE INSURED EVENT - CHAPTERS A AND B**

Loss or damage to the insured property described in the specification, occurring in the course of the insurance period for any reason including an earthquake and all in accordance with the policy conditions, exclusions and exceptions.

### **CHAPTER A – APARTMENT INSURANCE**

#### **1. Exclusions and risks not covered under the apartment insurance chapter**

- 1.1 The company shall not be liable for loss or damage caused whether directly or indirectly as a result of one or more of the following causes:
  - 1.1.1 Leakage of rainwater through walls or ceilings or absorption thereof.
  - 1.1.2 Malicious acts:
    - 1.1.2.1 Perpetrated while the apartment is unoccupied.
    - 1.1.2.2 Perpetrated by the insured or his family members with or without their consent.
    - 1.1.2.3 Perpetrated by persons residing in the apartment with the insured's permission or consent.
  - 1.1.3 Theft, robbery, burglary or attempt thereat while the apartment is unoccupied.
  - 1.1.4 Any damage by water and other liquids except as noted in paragraph 5 "Risks of water and other liquids".
  - 1.1.5 Moths, other insects, worms, rodents, gradual deterioration, wear and tear, moisture, rust and corrosion processes, atmospheric or climatic factors having a gradual affect.
  - 1.1.6 Mechanical and/or electrical and/or electronic breakdown of any type whatsoever.
  - 1.1.7 Damage resulting from soil movement unless caused by an earthquake.
  - 1.1.8 Damage resulting from defective planning and/or construction and/or workmanship.
- 1.2 Notwithstanding the aforementioned, it is hereby declared and agreed that exclusions: 1.1.4, 1.1.5, 1.1.6, shall not apply where the damage is caused as a direct result of the following risks:
  - 1.2.1 Fire, lightning, thunder and smoke constituting an extraordinary and non- permanent phenomenon.
  - 1.2.2 Explosion or combustion.
  - 1.2.3 Winds exceeding 30 knots, including rain falling at the same time, snow or hail, except for leakage of rainwater through walls or ceilings or absorption thereof.

- 1.2.4 Falling aircraft, falling objects from aircraft, supersonic vibration caused by aircraft.
- 1.2.5 Contact or collision of a vehicle with the apartment.
- 1.2.6 Forbidden gatherings and rioting.
- 1.2.7 Earthquake
- 1.2.8 Flood or inundation by an external water source.

## **2. Calculation of compensation**

- 2.1 The insurance benefits due to the insured under this chapter shall be calculated and paid according to the value of the loss or damage sustained by the apartment, however, the payment shall not exceed the sum insured appearing in the specification as the sum insured for the apartment, all subject to whatsoever appearing in Chapter D, paragraph 2 hereunder.
- 2.2 The insurance benefits shall be calculated in a manner which will – insofar as possible - place the insured in a position in which it would have been had the insured event not occurred.
- 2.3 The insurance benefits payable under this chapter shall also include, subject to the provisions of subparagraph 2.1:
  - 2.3.1 Expenses for services rendered by architects, surveyors, construction consultants, engineers and contractors, as well as legal expenses incurred for the repair, renovation or rebuilding of the apartment or part thereof, provided that advance notice is given to the insurer.
  - 2.3.2 Expenses for removal of debris, cleaning the apartment, whitewashing and reconnection to the electricity grid, telephone, water, gas and sewage systems.
  - 2.3.3 Compensation for loss of income from the apartment lease fees or expenses for lease fees for a residence for the insured and his family members, as long as the apartment is unfit for living, as determined by a licensed engineer, as defined in the Engineers and Architects Law, 5718-1958 (hereinafter - the Engineers and Architects Law). The compensation under this paragraph shall be calculated according to the customary lease fees for an apartment similar to the apartment insured under this policy, for a maximum period of 12 months, commencing on the date of the insured event, or a maximum sum not exceeding 15% of the apartment sum insured – the lower of the two - even if the total compensation exceeds the apartment sum insured. Payment for lease fees expenses under this paragraph is conditional upon reasonable proof that the lease fees for an alternative residence have indeed actually been incurred.

## **3. Non-applicability of underinsurance**

Paragraph 60 of the Insurance Contract Law, 5741-1981 (hereinafter - the Insurance Contract Law), shall not apply to the apartment insurance chapter.

#### **4. Adira Gold extensions to the apartment chapter**

- 4.1 Extension in regard to plants, lawns and irrigation systems.  
This insurance is extended to cover damage to plants, lawns, trees, shrubs and irrigation systems belonging to the apartment.
- 4.2 Extension in regard to a storeroom and non-fixed parts  
This insurance is extended to cover a storeroom which is not adjacent to the apartment, any pergola, awning, roofing and shading accessories on the insured's premises, which are not permanent parts of the apartment and/or are not permanently affixed thereto.

An insured event relating to paragraphs 4.1 and 4.2 is limited to loss or damage caused as a result of fire, lightning and explosion risks only and the insurer's liability in regard to these paragraphs shall not exceed 2% of the sum insured under Chapter A - apartment insurance.

#### **Additional cover under the apartment insurance chapter**

#### **5. Risks of water and other liquids**

- 5.1 The insurance is extended to cover loss or damage first discovered in the course of the insurance period, caused to the apartment as a result of escaping or leaking water or any other liquid from the apartment plumbing and heating fixtures or belonging to another property in the condominium, including cleavage, blockage or overflowing of boilers and piping however, excluding the cost of water, and excluding wear and tear, corrosion and rust of the boilers, plumbing and piping facilities themselves. In regard to damage originating from another property in the condominium, the insurer may limit the scope of cover to a number of occurrences however, no less than one occurrence during the insurance period.
- 5.2 Cover for sealing damages when choosing a plumber on behalf of the insurer
- 5.2.1 If explicitly stated in the specification that in addition to the risks of water and other liquids cover will be provided for sealing damages, the cover will include handling of moisture damage resulting from water and other liquids, caused to the insured's apartment as defined in the insurance policy, as a result of defective or deficient sealing in the apartment, however, only in the following areas:
- 5.2.1.1 In bathrooms and toilets, around the bath, basin, sinks and sanitary fixtures.
- 5.2.1.2 In kitchens, water penetration through the kitchen work surface or inside utility cabinets.
- 5.2.1.3 Sealing problems in the apartment floors.
- 5.2.2 The repair shall include only
- 5.2.2.1 Repair or renewal of the required sealing until full cessation of water penetration, and using all accepted methods and sealants on the market for these needs.
- 5.2.2.2 Repair of paint and whitewashing damages to the building.



- 5.2.3 The services and repairs shall include
  - 5.2.3.1 The sanitary fixtures themselves, including sinks, basins, bathtubs, shower cubicles.
  - 5.2.3.2 Flooring tiles including replacement and drying of sand or sesame substrate, parquet, wall-to-wall carpets, various cladding tiles, marble or similar surfaces (work surfaces/ sinks), installed on and/or in the kitchen, bathroom and utility cabinets.
  - 5.2.3.3 Any replacement or installation of bitumen sheets and/or any other sealant under a floor.
- 5.2.4 Cover exclusions  
This cover shall not apply:
  - 5.2.4.1 In the event that the lack of sealing or moisture result from absorption of rainwater or any liquids from exterior walls (envelope), ceilings and floors of the insured apartment including open and closed balconies, including moisture from external windows and doors.
  - 5.2.4.2 To damage caused to the contents of the apartment.
  - 5.2.4.3 In regard to damage to swimming pools and Jacuzzi facilities or damage resulting therefrom.
- 5.2.5 Limit of liability for the period  
The maximum limit of liability under this cover for the entire insurance period as a result of covered occurrences shall not exceed NIS 10,000 (ten thousand shekels).

5.3 Insurance for electric and solar boilers  
If explicitly stated in the specification that in addition to risks of water and other liquids, insurance shall apply for electric and solar boilers, the cover shall include loss or damage due to electrical and solar boilers and solar panels (hereinafter "boilers") as specified hereunder:

- 5.3.1 The insured event  
Loss or damage caused to boilers for any reason which is not covered under paragraph 1 of Chapter A - The insured event - and subject to the following exclusions.
- 5.3.2 Deductible - as appearing in the specification.
- 5.3.3 Indemnification methods
  - 5.3.3.1 The insurer may, at its discretion, choose to indemnify the insured by way of repair by those whose details appear on the schedule or by way of financial indemnification.
  - 5.3.3.2 In the event of loss or damage the insurer shall have discretion in choosing the spare parts or replacement products for the boilers which are lost or damaged, including selection of the manufacturer and manner of installation, provided that the replacement products bear a Standard mark.

5.3.4 Exclusions

This cover shall not apply to:

5.3.4.1 Malicious damage

5.3.4.2 Damage to the piping system to which the boilers are connected

5.3.4.3 Damage to the electrical system to which the boilers are connected

5.3.4.4 Damage to a boiler with a volume of over 200 liters.

5.3.4.5 Damage to a central water heating system.

5.3.4.6 The cost of water or any other liquid.

5.3.4.7 Natural damages except for damages covered under paragraphs 1.2.3 and 1.2.8.

5.3.5 Limit of liability

The maximum limit of liability for the entire insurance period, under this cover, shall not exceed NIS 3,000 (three thousand shekels).

5.4 The insurance for risks of water and other liquids shall not be covered under the policy when the apartment is unoccupied.

**6. An unoccupied apartment**

If explicitly noted in the specification, the cover is extended to include the apartment, for the period during which the apartment is unoccupied.

Measures to mitigate the insurer's risk for cover of an unoccupied apartment:

6.1 A reliable person shall visit the apartment at least once a week.

6.2 The water and electricity supply to the apartment shall be cut off.

6.3 The means to mitigate the insurer's risk noted in the specification are in proper working order and activated.

If activation of the risk mitigation means requires the apartment to be connected to the electricity supply, paragraph 6.2 above shall relate only to the water supply.

**7. Cover for compensation regarding loss of income from lease fees for an additional period.**

If explicitly noted in the specification, the cover is extended to include compensation for loss of income from lease fees for the apartment or lease fees expenses for a residence for the insured and his family as long as the apartment is unfit for living, as determined by a licensed engineer – as defined in the Engineers and Architects Law - beyond a period of 12 months as stated in paragraph 2.3 of the policy - "Compensation Calculation".

The compensation under this cover shall be in a sum of NIS 5,000 per month, for a maximum additional period of 12 months or 24 months or 36 months, at the choice of the insured – prior to the occurrence of an insured event - and as explicitly stated in the specification.

Payment for the lease fees expenses under this paragraph is conditional on reasonable proof that the lease fees for the alternative accommodation has actually been incurred.

**8. Adira Green - cover for a home photovoltaic facility for electricity generation (hereinafter the "PV facility").**

If explicitly stated in the specification, the insurance is extended to cover an insured event causing damage to the PV facility fitted and permanently fixed to the roof of the insured building, provided that the insured has a valid agreement with the Israel Electric Corporation for connection of the PV facility to the electricity grid belonging to the Israel Electric Company Ltd. (hereinafter: "IEC") and that the PV facility has undergone a proper working order inspection by the IEC in accordance with the aforementioned agreement and in accordance with its conditions, and subject to the following:

- 8.1 The sum insured for the PV facility is as listed in the specification.
- 8.2 This cover shall be granted only for a PV facility with an output power not exceeding 50 kWh.
- 8.3 An "insured event" for the purpose of this cover shall be as defined in Chapter A, except for the risk of theft.
- 8.4 All the cover exclusions applying under Chapter A – apartment insurance, shall also apply to this cover.
- 8.5 The cover under this paragraph is extended to also include accidental breakdown of the PV facility provided that the breakdown is the cause why the PV facility cannot supply any energy to the IEC power grid. The cover under this paragraph 8.5 is limited to the sum listed alongside same in the specification.

The cover under paragraph 8.5 above shall not apply in the event that damage is caused directly or indirectly as a result of:

- 8.5.1 Pollution, except pollution caused by one of the risks listed in paragraph 1.2 above.
- 8.5.2 An inherent vice in the insured property, gradual deterioration, normal wear and tear, and depreciation, defective or unsuitable planning, materials or workmanship.
- 8.5.3 Land subsidence under the apartment building or the building infrastructure.
- 8.5.4 Damage caused as a result of a repair or renovation process of the insured property.
- 8.5.5 Corrosion, rust, extreme cold or heat conditions, temperature changes, humidity, mold, rodents, insects or scratches.
- 8.5.6 Mechanical breakdown, improper mechanical or electrical operation unless caused by an accidental reason and due to the risks defined in paragraph 1.2 above.
- 8.5.7 A facility whose "age" exceeds 15 years.

- 8.6 The cover under this paragraph, is extended to include the PV facility, also in regard to consequential damage caused to the insured as a result of an insured event as defined above, including in paragraph 8.5, resulting in the PV facility being absolutely unable to provide electricity to the IEC power grid for a period of at least 4 days and no more than 30 days in total.
- 8.7 The compensation due to the insured for consequential damage as defined in paragraph 8.6 above shall be calculated as follows:
- 8.7.1 The average daily quantity of kWh measured by the PV facility production meter during the three months preceding the date of the insured event, multiplied by the sale price of kWh according to the agreement between the insured and the Israel Electric Corporation.
- 8.7.2 Less the average daily quantity of kWh measured by the insured building's consumption meter during the three months preceding the date of the insured event, multiplied by the average cost per kWh according to the Israel Electric Corporation consumer accounts for the insured building for that period.
- 8.7.3 And all, multiplied by the number of days during which the PV facility did not supply electricity to the Israel Electric Corporation grid due to the insured event.
- 8.8 The cover under paragraph 8.6 shall be limited to the consequential damage suffered by the insured for a period of no more than 30 days during which the PV facility is unable to supply electricity to the Israel Electric Corporation grid.
- 8.9 Deductible - the insured shall not be entitled to any compensation for consequential damage sustained by it as defined in paragraphs 8.6 and 8.7 above, if the PV facility was unable to supply electricity to the Israel Electric power grid for 4 days or less.
- 8.10 The deductible for damage to the PV facility (except in respect of paragraph 8.7 above) shall be in accordance with the sum listed in the specification.

## **CHAPTER A1 – ADDITIONAL SUM INSURED INSURANCE FOR A CONDOMINIUM**

This chapter shall only apply if noted in the specification.

**1. Insured event**

The insured event is damage caused to an apartment in a condominium, which is owned by the insured or held by him under a long term lease, as a result of the earthquake risk as noted in the definitions chapter (insured event) at a rate no less than 70% of the sum insured for the apartment, as noted in the specification, and according to the determination of a real estate surveyor, as defined in the Real Estate Surveyors' Law 5761-2001 or a licensed engineer, as defined in the Engineers and Architects Law, as the case may be, or if as a result of the damage caused as aforementioned a demolition order is issued in regard to the condominium.

**2. Calculation of compensation**

After the occurrence of an insured event, the insurance benefits due to the insured under this chapter shall be calculated and paid according to the additional sum insured noted in the specification, and all subject to whatsoever appearing in Chapter G, paragraph 2.

**3. Non-application of underinsurance**

Paragraph 60 of the Insurance Contract Law shall not apply to this Chapter.

**CHAPTER A2 – EXTENDED INSURANCE IN REGARD TO AN ADDITIONAL SUM  
INSURED FOR A CONDOMINIUM**

If expressly stated in the specification that the cover under Chapter A2 - extended insurance in regard to an additional sum insured for a condominium - is valid then, the cover as noted in Chapter A1 above shall also be extended to an insured event caused as a result of one of the risks specified in Chapter A, paragraphs 1.2.1, 1.2.6 and 1.2.8 – “insured event” - in addition to the cover resulting from the "Earthquake" risk.

Nothing in the aforementioned shall change the substance of the cover, the insured event, calculation of compensation and non-applicability of underinsurance as stated in Chapter A1 above.

## CHAPTER B – CONTENTS INSURANCE

1. **For the purposes of the Policy, “contents” denotes – any item and object located in the apartment, being under the possession or responsibility of the Insured or his family members, excluding:**
  - 1.1 Motor vehicles, caravans, trailers, sea craft and aircraft.
  - 1.2 Animals
  - 1.3 Securities, bonds, share certificates, loan certificates.
  - 1.4 Contracts, undertaking documents, deeds of sale, certificates and documents of all kinds.
  - 1.5 Gold, silver or precious metals in unrefined state, diamonds and precious stones not forming part of a piece of jewelry.
  - 1.6 Weapons, ammunition and explosives, except weapons held under a license.
  - 1.7 Manuscripts, plans, drawings, diagrams, patterns, molds.
  - 1.8 Books of account and other books of a business.
  - 1.9 Equipment and stock serving the business only, unless noted otherwise in the specification.
  - 1.10 Travelers’ checks, traveler’s and postal checks, promissory notes and bills of all kinds, travel, flight and sailing tickets and lottery tickets.
  - 1.11 Items or objects which are found in the garden, stairwell, on fences or paved pathways constituting part of the apartment, on condition that same are not normally found outside the apartment. The cover under this paragraph in regard to items or objects which are normally located outside the apartment is limited to 2% of the sum insured for the contents.
  
2. **Limitation on company’s liability in regard to certain contents items:**

If no special sums insured are explicitly noted in the specification in regard to items enumerated below, the insurance benefits for loss or damage in respect of every such item shall be limited, as part of the sum insured for contents, as follows:

  - 2.1 Cash or purchase coupons – up to 1% of the sum insured for contents.
  - 2.2 Silver items – up to 20% of the sum insured for contents.
  - 2.3 Sculptures, paintings, works of art, antiques and collections of historical, scientific or artistic value – up to 20% of the sum insured for contents.
  - 2.4 Carpets – up to 20% of the sum insured for contents.
  - 2.5 Furs – up to 10% of the sum insured for contents.
  - 2.6 Stamp collection – up to 10% of the sum insured for contents.
  - 2.7 Coin collection – up to 10% of the sum insured for contents.

- 2.8 Jewelry, gold items – up to 10% of the sum insured for contents.
- 2.9 Wrist watches – up to 10% of the sum insured for the contents.

### **3. Calculation of compensation**

- 3.1 The insurance benefits due to the insured under this chapter will be calculated and paid according to the value of the loss or damage, however, no more than the sum insured appearing in the specification in regard to the contents insurance, and all subject to whatsoever appearing in Chapter G, paragraph 2 hereunder.

The insurance benefits for loss or damage to several items shall not exceed the sum stated in the specification (if at all) as the sum insured for the items.

- 3.2 The insurance benefits shall be calculated in a manner which will place the insured, as far as possible, in the situation he would have been had the insured event not occurred.
- 3.3 The compensation shall also include loss or damage to clothing and personal belongings of guests and household workers of the insured, when located in the apartment in a sum which shall not to exceed 5% of the sum insured for the contents, regarding the risks noted in paragraphs 11.2.1 until - 11.2.9.

### **4. Underinsurance**

If upon entering into the insurance contract, the sum insured for the contents is lower than the value of the contents by at least 15%, the insurer's liability shall be reduced proportionately, according to the ratio between the sum insured and the value of the contents upon signing the contract. Any item for which a separate sum insured is noted in the specification, shall be subject to this condition separately. The provisions of this paragraph shall not apply to the limits of liability noted in the policy or in the event that the sum insured for the contents is determined by the insurer or whomsoever on its behalf.

### **5. Insurance in regard to damage by water and other liquids**

- 5.1 The insurance is extended to include risks of water and other liquids, causing loss or damage to the contents, which was first discovered during the insurance period as a result of escaping or leaking water or any other liquid from the plumbing and heating fixtures of the apartment or another property in the condominium, including cleavage, blockage or overflow of boilers and piping however, excluding the cost of water, and excluding wear and tear, corrosion and rust caused to the boilers, piping and plumbing facilities themselves. In regard to damage originating from another property in the condominium, the insurer may limit the scope of cover to a number of occurrences which shall be no less than one case during the insurance period.
- 5.2 The insurance in regard to risks of water and other liquids shall not be covered by the policy when the apartment is unoccupied.

### **6. Unoccupied apartment**

If explicitly noted in the specification, the cover is extended to include the contents for the period during which the apartment is unoccupied.

Measures to mitigate the insurer's risk for cover of an unoccupied apartment:

- 6.1 A reliable person shall visit the apartment at least once a week.



- 6.2 The water and electricity supply to the apartment shall be cut off.
- 6.3 The means to mitigate the insurer's risk noted in the specification are in proper working order and activated.

If activation of the risk mitigation means requires the apartment to be connected to the electricity supply, paragraph 6.2 above shall relate only to the water supply.

The cover under this paragraph shall not apply to jewelry, wristwatches, furs and cameras.

**7. Cover extension for part of the contents outside the apartment, within the boundaries of the State of Israel**

The Policy is extended to cover the contents of the apartment belonging to the Insured or his family members which are covered under this policy, while located outside the apartment, in regard to an insured event and defined in this chapter, subject to the policy exclusions and conditions and excluding the risk of theft. The contents shall not be covered also while located in any vehicle, nor while located outside the country,

In addition, this extension shall cover bicycles without an auxiliary motor up to NIS 5000, unless otherwise noted in the specification. Means to mitigate the insurer's risk: while the insured is not riding the bicycle, the bicycle shall be locked. The term "locked" shall mean – fastened by a lock and chain to a massive object anchored to the ground or to a wall, or located in a storeroom whose openings are closed and locked.

**8. Cover Extension for Part of the Contents outside the Apartment: Worldwide (excluding Israel)**

The Policy is extended to cover contents as detailed hereunder, which belongs to the Insured or his family members residing with him in the apartment on a permanent basis, while located temporarily outside the apartment, anywhere around the world, against the risks covered under this chapter, excluding transportation or shipment of the contents when unaccompanied by the Insured or the members of his family, or contents left in any vehicle.

- 8.1 Clothing and personal effects and personal luggage – up to 10% of the sum insured for contents.
- 8.2 Jewelry, watches, furs, cameras, video cameras and binoculars, bicycles and sport equipment indicated expressly in the Specification for the purpose of this extension.

It is to be emphasized that if no specific items are noted in the specification, this extension shall not apply to the items noted in paragraph 8.2.

**9. Cover for the Insureds as a Tenant**

The insurance is extended to include loss or damage for which the insured is responsible, solely as a tenant and not as not as owner of the house, caused directly to the apartment, its fixtures and the accessories belonging to the owner of the house which are located inside the apartment or connected thereto, as a result of the risks detailed in the insured event paragraph - except when the apartment is unoccupied.

The liability of the insurer under this sub-paragraph shall not exceed 10% of the sum insured for Chapter B – apartment contents insurance.

**10. Restoration of Documents**

In the event of loss or damage to personal certificates or personal documents belonging to the Insured or the members of his family as a result of the risks detailed in this chapter, the Company shall compensate the Insured for reasonable and necessary expenses incurred by the Insured for restoration thereof, up to 1% of the sum insured for the contents during the insurance period, excluding the value of the information or any other value related to the documents or certificates.

**11. Exclusions and Risks Not Covered under the Contents Insurance Chapter**

11.1 The Company shall not be liable for loss or damage caused directly or indirectly as a result of one or more of the following causes:

11.1.1 Leakage of rainwater through walls or ceilings or absorption thereof.

11.1.2 Malicious acts:

11.1.2.1 Perpetrated while the apartment is unoccupied.

11.1.2.2 Perpetrated by the insured or his family members or with their consent.

11.1.2.3 Perpetrated by persons residing in the apartment with the insured's permission or consent.

11.1.3 Theft, robbery, burglary or attempt thereat while the apartment is unoccupied.

11.1.4 Theft, robbery, burglary or attempt thereat in regard to contents located in the open balcony, which by nature should not be outside the apartment.

11.1.5 Any damage by water and other liquids except as noted in paragraph 5 of the contents chapter - Risks of water and other liquids.

11.1.6 Moths, other insects, worms, rodents, gradual deterioration, wear and tear, moisture, rust and corrosion processes, atmospheric or climatic factors having a gradual affect except loss or damage to contents emanating from wear of a bracket, holding or carrying element.

11.1.7 Mechanical and/or electrical and/or electronic breakdown of any type whatsoever.

11.1.8 Over-tension, overload, short-circuit, electric arc and self-heating of electric installations and motors.

11.1.9 Death or other bodily injury to animals.

11.1.10 Damage arising from shifting of the ground except if caused by an earthquake.

11.1.11 Damage arising from material fatigue, faulty maintenance or overload.

11.1.12 Damage arising from defective planning and/or construction and/or workmanship.

- 11.1.13 Accidental breakage and loss of the following items: glasses, contact lenses, hearing aids, dentures, mobile phones, tablet, handheld and wearable computers.
- 11.2 Notwithstanding the aforementioned, it is hereby declared and agreed that paragraphs: 11.1.5, 11.1.6, 11.1.7, 11.1.10 and 11.1.11 shall not apply where the damage is caused as a direct result of the following risks:
  - 11.2.1 Fire, lightning, thunder and smoke constituting an extraordinary and non- permanent phenomenon.
  - 11.2.2 Explosion or combustion.
  - 11.2.3 Winds exceeding 30 knots, including rain falling at the same time, snow or hail, except for leakage of rainwater through walls or ceilings or absorption thereof.
  - 11.2.4 Falling aircraft, falling objects from aircraft, supersonic vibration caused by aircraft.
  - 11.2.5 Contact or collision of a vehicle with the apartment.
  - 11.2.6 Malicious acts:
    - 11.2.6.1 Malicious acts perpetrated while the apartment is unoccupied.
    - 11.2.6.2 Malicious acts perpetrated by the insured or his family members or with their consent.
    - 11.2.6.3 Malicious acts perpetrated by persons residing in the apartment with the insured's permission or consent.
  - 11.2.7 Theft, robbery, burglary or attempt thereat, except:
    - 11.2.7.1 While the apartment is unoccupied.
    - 11.2.7.2 The contents of a business where the apartment is not used only as a residence.
    - 11.2.7.3 If perpetrated by one of the insured's family members or a person living in the apartment with the permission or consent of the insured.
    - 11.2.7.4 Contents located on an open balcony, roof, or ground floor which by nature should not be outside the apartment.
  - 11.2.8 Prohibited assembly and disturbance.
  - 11.2.9 Earthquake including a tsunami caused by an earthquake, provided that the insured did not waive cover in regard to this risk in the manner noted in regulation 5a in regard to the deductible in the event of damage as a result of this risk. Earthquakes occurring over the course of 72 consecutive hours after the first earthquake occurrence shall be deemed a single event.

11.2.10 Flooding or inundation by an external water source except a tsunami as noted in paragraph 11.2.9.

**12. Garden furniture and equipment insurance**

The insurance is extended to cover damage to garden furniture and equipment constituting part of the apartment contents which are located on a balcony, garden, roof or the insured's yard. An insured event under this sub-paragraph shall be limited only to loss or damage caused as a result of the risks of fire, lightning and explosion. The insurer's liability shall not exceed 5% of the sum insured under Chapter B – Apartment Contents Insurance.

**13. Extension regarding contents in the storeroom**

The insurance is extended to cover loss or damage to contents, while located outside the apartment in a storeroom or auxiliary structure made of blocks and/or concrete or shingles, which is permanently locked and located at the address of the insured contents, subject to the insured event paragraph, except for:

13.1 Damage occurring in a location whose openings are not all locked.

13.2 Damage which is not accompanied by visible signs of violence at the entrance or exit.

13.3 Property constituting part of the property types specified in paragraph 2 of Chapter B.

The insurer's liability under this sub-paragraph shall not exceed 10% of the sum insured for the contents.

**14. Expenses for replacement of a key**

The insurance is extended to cover expenses actually incurred by the insured or his family members, for replacement of keys or locks on external doors or the residential apartment or other property belonging to the insured, or which is in its use - including a remote control for a vehicle or electric gate, as a result of an insured event which is covered under the Apartment and Contents Insurance chapters.

The insurer's liability under this sub-paragraph shall not exceed NIS 1,000 per single occurrence or in total for all the events paid during the insurance period.

This extension shall not derogate from or limit the insured's entitlement to insurance benefits, in respect of damage resulting from an insured event involving any key or lock under this chapter.

**15. Insurance for contents in a bank safe**

If explicitly noted in the specification, the cover shall include accidental loss or damage to the insured property only while located in a bank safe, in the bank safe room only, whose name and address are listed in the specification, during the insurance period.

For the purposes of this paragraph, the insured property: the contents of the bank safe registered in the name of the insured and located in the bank appearing in the specification, including valuables according to a detailed list or estimate by a certified appraiser provided to the insurer before the occurrence of the insured event, named securities, bearer securities, shares, promissory notes, debentures and valuable documents, cash, purchase vouchers, checks and notes except for:

- 15.1 Loss or damage as a result of moths, other insects, worms, gradual deterioration and wear and tear, atmospheric or climatic causes having a gradual effect.
- 15.2 Theft while using the safe key or duplication of such key, unless the key is obtained as a result of a threat or violence or fraud or theft.
- 15.3 Mysterious and unexplained disappearance of the insured property or deficiency which cannot be attributed to accidental physical damage.
- 15.4 The value of the information stored in the insured property.
- 15.5 Consequential damage suffered by the insured, his family members or the beneficiary as a result of an insured event, including a change in the rate of securities or value of a currency.
- 15.6 Stock or raw materials used by the insured's business.

The Insurer's liability to pay insurance benefits under this cover shall not exceed:

- 15.7 Regarding a collection of stamps, which are not Israeli stamps - 75% of their nominal value in the last Stanley Gibbons catalog.
- 15.8 Regarding a collection of Israeli stamps - their market value on the date of the insured event.
- 15.9 Regarding securities - their market value on the date of the insured event.
- 15.10 Regarding cash, purchase vouchers, checks and notes - their face value.
- 15.11 Regarding jewelry, precious stones and gems - their market value on the date of the insured event.

Limitation of the sum insured: The under-insurance paragraph appearing in the general conditions shall not apply to this paragraph.

## **16. Cover for business activities in the apartment**

If explicitly noted in the specification, the insurance is extended to include cover for business activities.

### 16.1 Definitions:

Business activities - the insured's business activities as operator of an office or clinic room in his residential apartment which is covered under this policy, provided that the insured resides in this apartment.

Business Contents – the contents used for the purpose of the insured's aforementioned business, including medical equipment, furniture, equipment and stationery electronic equipment, e.g. PC, scanner, facsimile machine, printer and photocopy machine.

### 16.2 Insured event:

16.2.1 Loss or damage to the business contents during the insurance period as a result of an insured event as specified in the insured event paragraph - except theft. The insurer's liability under this cover shall not exceed the

sum appearing in the specification for the business contents. Business contents will be stored only in the apartment and not in any storeroom.

- 16.2.2 Third party liability insurance as specified in Chapter D (except for the exclusion noted in Chapter D, paragraph 4.3) and in accordance with the limit of liability appearing in the specification, provided that the specification states that Chapter C – third party liability policy insurance - is valid.
- 16.2.3 Insurance of the insured's legal liability vis-à-vis 2 workers (maximum) who are employed by him for the business activity noted above for performing clerical work, as assistance and/or cleaning work as specified in Chapter E – employer's liability insurance vis-à-vis household workers (except for the exclusion specified in chapter E paragraph 2.9) and in accordance with the limit of liability appearing in the specification, provided that the specification notes that Chapter E - insurance of employers' liability vis-à-vis household workers – is valid.

**CHAPTER C – TERROR DAMAGE INSURANCE**  
**(as part of the hostilities and terror attack exclusion)**

Whereas this policy does not cover any damage for which the insured is entitled to compensation under the Property Tax and Compensation Fund Law 5721 - 1961 (whether this right is partial or full regarding the entire damage sum, or whether this right is denied due to failure to uphold any of the provision of the aforementioned law), if explicitly noted in the specification that the terror damage insurance is valid, the insurer shall indemnify the insured, subject to the policy conditions, definitions and exceptions, for physical loss or damage to the apartment building, if insured under Chapter A, or the contents of the apartment if insured under Chapter B, which are caused by terror.

**1. Definition**

“Terror” - sabotage or act which is harmful to property, committed by a person or persons, whether or not he/they is/are a member/s of any organization hostile to the State of Israel, by reason of such hostility.

**2. Compensation Sums**

2.1 The cover under this chapter will be for the surplus damage sum in excess of the compensation sum which the Insured will be entitled to receive by virtue of the Property Tax and Compensation Fund Law 5721 - 1961 and its regulations (hereinafter the “Property Tax Law”).

2.2 The Insurer shall not be liable for any sum due to the Insured by virtue of the Property Tax Law, which is not paid to the Insured by the Property Tax and Compensation Fund due to failure to uphold any of the provision of the Property Tax Law or due to failure to submit a claim to the Property Tax and Compensation Fund.

2.3 In any event the insurance benefits under this chapter shall be no lower than a sum equivalent to 10% of the sum actually paid by the Property Tax and Compensation Fund in respect of terror damages.

**3. Exclusions to the insurer’s liability.**

This chapter shall not cover loss or damage:

3.1 Caused by or arising from a break-in or theft by persons taking part in the terror activities.

3.2 Caused directly or indirectly by an act, operation or incident related to war, invasion, foreign enemy, including hostilities or warlike operations (whether war is declared or not), committed by the forces of a State which is a member of the United Nations and is entitled to vote in the UN General Assembly.

3.3 Constituting breakage of glass or windshields, if damage is caused to them only.

3.4 Constituting consequential damage of any type, excluding whatsoever appearing in the Policy in regard to loss of lease fees or expenses for lease fees for living purposes, due to the insured event.

3.5 Caused by or emanating from the use of unconventional means including nuclear, biological or chemical means.

**4. Special Condition**

Payment of insurance benefits under this chapter shall be subject to proof being presented by the Insured that the insured property was indeed lost or damaged due to terror, as defined above, by presenting:

- 4.1 Written confirmation from the Israel Police or Ministry of Defense, or –
- 4.2 Written confirmation from the Director of Property Tax and Compensation Fund as defined in the Law.



## **CHAPTER D – THIRD PARTY LIABILITY INSURANCE**

If explicitly noted in the Specification that the cover under chapter C – third party liability policy insurance – is valid, then the following condition shall apply:

### **1. Insured event**

An insured event is liability of the Insured or his family members including his household employees, to remit payment to a third party under the Torts Ordinance (New Version) subject to the limits of liability noted in the specification, in respect of an accidental occurrence taking place within the geographical boundaries, which causes:

- 1.1 Death, injury, physical, mental or psychological impairment.
- 1.2 Damage to third party property.

### **2. Claims handling**

- 2.1 The insurer may, and upon the demand of a third party – will be obliged to pay the third party - the insurance benefits which the insurer owes to the insured, provided that written notice is given to the insured as stated in paragraph 2.2 and the insured has not objected as noted in that paragraph. However any allegation which the insurer may raise against the insured shall also stand in its favor vis-à-vis a third party.
- 2.2 In the event that the third party demands insurance benefits from the insurer as stated in paragraph 2.1, the insurer shall notify the insured in writing within 7 business days after receiving the demand as aforementioned. If the insured does not notify the insurer of its objection to the pay the compensation within 30 days, the insurer shall pay the third party the insurance benefits owed to the insured, if it is obliged to pay same.
- 2.3 The insurer may assume or conduct on behalf of the insured the defense against any claim and the insured shall provide the insurer – upon its request - with the assistance required by the insurer to settle a third party claim.
- 2.4 In the event of a claim or claims against the insured which emanate from a single insured event or a series of events which may be attributed to a single cause or reason - and which are covered under this chapter of the policy - the insurer may pay the insured the full sum insured under this chapter and after such payment the insurer shall be exempt from handling the claim or claims and the insurer shall not bear any additional liability in regard thereto, except for Court expenses determined by the court or reasonable expenses incurred in connection with the said claims.

### **3. Cover for Court expenses**

In the event of a claim for payment of insurance benefits under this chapter, the insurer shall bear reasonable court expenses which the insured must bear due to his liability, even beyond the limits of liability under this chapter.

**4. Exclusions to the liability vis-à-vis third parties**

The insurer shall not be liable to indemnify the insured for any sum imposed upon it or incurred by it, if its cause emanates from one of the following:

- 4.1 Liability vis-à-vis employed persons who have an employee-employer relationship with the insured.
- 4.2 Damage caused to the insured's family members or the insured's household workers.
- 4.3 The insured's liability vis-à-vis third parties which is directly related to the insured's profession or occupation, unless cover for this activity is explicitly stated in the specification.
- 4.4 The insured professional liability or liability emanating from products which are manufactured, handled, marketed or maintained by the insured in the framework of any business activity.
- 4.5 A vehicle as defined in the Road Accident Victims Compensation Law 5735-1975, a crane, lifting device, aircraft, vessel, motorized vehicle used for travel.
- 4.6 Use of weapons.
- 4.7 Animals which are not domestic pets, a dangerous dog or a dangerous breed, as defined in the Dog Supervision Regulation Law 5763 - 2002.
- 4.8 Use of a swimming pool which includes a filtration system, Jacuzzi or sauna which are outside the apartment building, unless otherwise stated in the specification.
- 4.9 Execution of work in the apartment by a professional, where the duration of the work exceeds two weeks from the actual inception of the work.
- 4.10 A claim filed against the insured in court outside the boundaries of the State of Israel.

**5. Non-applicability of underinsurance**

Paragraph 60 of the Insurance Contract Law shall not apply to this Chapter.

**6. Adira Gold Extensions to the Third Party Liability Insurance Chapter**

This chapter is extended to cover the legal liability of the insured and his family members as defined above due to an insured event while staying abroad as tourists, subject to the claim being filed in a court in Israel and according to the law applicable in the State of Israel.

**7. Additional cover under the third party liability insurance chapter**

- 7.1 Cover for motorized bicycle/ scooter  
If explicitly stated in the specification and notwithstanding whatsoever appearing in exclusion 4.5, the cover will be extended to cover damage to third party property or person as a result of the liability of the insured or one of his family members who live with him and caused the damage which emanates from lawful use of motorized bicycles (as defined in the transportation regulations) and/or a motorized scooter, up to the limit of liability noted in the specification, per occurrence and the insurance period. In regard to this cover - provided that they

are 21 years old at the time of the event and that they rode in accordance with the provisions of the law.

In order to obviate any doubt, a "Segway" and/or "Motorized Skateboard" or any other motorized vehicle, except a motorized bicycle and/or motorized scooter are not included under this cover.

Upon the occurrence of an insured event which is included under this cover, the insured will bear the deductible noted in the specification, relating to this cover, beyond any other deductible emanating from other covers under the policy whether related to the same event or not.

7.2 Cover for swimming pools - bodily injuries

If explicitly stated in the specification, notwithstanding whatsoever appearing in exclusion 4.8, the cover shall be extended to cover bodily injuries to a third party as a result of the liability of the insured or one of his family members who live with him, due to a private swimming pool located on the insured's premises and its private use.

Measure to mitigate the insurance risk regarding the cover under this paragraph - the entrance to the yard where the pool is located shall be closed and locked and unpermitted and free access to the pool shall be prevented.

7.3 Cover for use or possession of a firearm

If explicitly stated in the specification and notwithstanding whatsoever appearing in Exclusion 4.6, the cover will be extended to include third party bodily injuries and property damage as a result of the liability of the insured who causes the damage due to use of a firearm and subject to the following conditions:

7.3.1 The insured possess a valid license to hold a firearm.

7.3.2 The insured shall initiate all measures in order to prevent the firearm from reaching the possession of unskilled persons. The insured shall store the weapon in a concealed location when not carried by him.

7.3.3 The firearm will not be loaded with bullets, except when held by the licensee.

7.3.4 The limit of the insurer's liability for use or possession of a firearm shall be limited to 50% of the limit of liability noted in the specification.

7.3.5 The cover shall not apply when the insured uses the firearm for fulfilling his duty as a soldier, as a police officer with the Israel Police or the Border Patrol or as an appointed guard or any other occupation requiring carrying a weapon for the purpose of fulfilling the duties or work.

**CHAPTER E – THE EMPLOYER’S LIABILITY VIS-À-VIS HOUSEHOLD  
EMPLOYEES**

1. If expressly stated in the specification, Chapter E - Employers' Liability vis-à-vis Household Workers is valid, the insurer shall indemnify the insured, up to the limits of liability noted in the specification, in respect of sums which the insured will be obliged to pay as compensation for its liability under the Torts Ordinance (New Version) 5728-1968, in the event of bodily injury or illness suffered, in the course of the insurance period by the insured's household workers -except for a driver while engaged driving a motor vehicle – who are employed by the insured privately and not for his occupation or for any business purpose. The insurer shall also pay the reasonable court expenses which the insured will be obliged to bear in respect of its liability, even beyond the limits of liability noted in the specification.
2. Exclusions to the insurer's liability  
The Insurer shall not be liable under this paragraph for:
  - 2.1 Any sum claimed from the insured by the National Insurance Institute.
  - 2.2 Any sum paid by the National Insurance Institute for bodily injuries or illness as aforementioned.
  - 2.3 Any sum which would have been paid by the National Insurance Institute, however, was not paid due to non-compliance with any of the provisions of the National Insurance Institute Law and its regulations.
  - 2.4 Any sum which would have been paid by the National Insurance Institute, however, was not paid due to failure to file a claim with the National Insurance Institute.
  - 2.5 Any liability of the insured by virtue of an agreement, which would not have existed in the absence of such agreement.
  - 2.6 An event of a bodily injury or illness as aforementioned, suffered by a youth who was employed contrary to the provision, law or regulations regarding employment of youths or not in accordance with such laws or regulations.

Employment of youths as baby-sitters shall not be deemed employment of youths contrary to the provisions, laws or regulations regarding employment of youths.
  - 2.7 Any sum which the Insured is entitled to claim from any party however, may not submit such claim due to an agreement between the Insured and any party whatsoever. The Insured shall refund to the Insurer all the sums paid by it, which the insured could have recovered had such agreement not existed.
  - 2.8 Any liability of the insured emanating directly or indirectly from the use of any vehicle or other means of transport, vessel, aircraft, including loading or offloading of goods therefrom.
  - 2.9 An insured event involving one of the insured’s employees who is employed for the purpose of the insured's business in the apartment, unless the insured purchased an extension regarding business activities and same is explicitly noted in the specification.
  - 2.10 Asbestosis or silicosis

2.11 Any exclusion appearing in Chapters A or B.

## **CHAPTER F – GENERAL CONDITIONS FOR ALL THE POLICY CHAPTERS**

### **1. Methods of Compensation**

The insurer may, at its discretion, choose one or more of the following methods of compensation:

- 1.1 Payment of the value of the loss or damage in cash.
- 1.2 Repair of the apartment or the contents which are lost or damaged and returning same to a condition similar to that on the eve of the loss or damage.
- 1.3 Replacement of the contents or part thereof or replacement of parts of the apartment with items of the same type and quality as those which were lost or damaged. In regard to damaged jewelry – at detailed under the insured event in the contents chapter (paragraphs 11.2.1 – 11.2.10) subject to the insured's consent and on condition that same may be identified or replaced with identical jewelry.

### **2. Linkage of the sums insured**

- 2.1 The sums insured specified in this Policy will be adjusted according to the changes in the consumer price index published by the Central Bureau of Statistics (hereinafter – the index) - recently published before the inception of the insurance period - and the index recently published prior to the occurrence of the insured event, except the sums insured under Chapter A, which shall vary in accordance with changes in the Price Index of Input in Residential Building published by the Central Bureau of Statistics (hereinafter the "construction input index"), recently published prior to inception of the insurance period and the Price Index of Input in Residential Building recently published prior to the occurrence of the insured event.
- 2.2 If during the insurance period, the sums insured are increased at the request of the insured - not as a result of linkage to the index or the Price Index of Input in Residential Building - any such increase shall constitute an additional basic sum which shall be subject to the aforementioned linkage conditions. The basis for the increase will be the Index or Price Index of Input in Residential Building, as the case may be, recently published before the date of inception of the validity of the increase.

### **3. Linkage and interest on insurance benefits**

- 3.1 Insurance benefits due to the insured due to an insured event will vary according to changes between the index recently published prior to the occurrence of the insured event and the index recently published before payment to the insured, except for insurance benefits under Chapter A which will vary according to changes in the Price Index of Input in Residential Building recently published prior to the occurrence of the insured event and the Price Index of Input in Residential Building recently published before payment to the insured.
- 3.2 Interest shall be added to the insurance benefits at the rate determined under the definition of "linkage and interest differentials" in paragraph 1 of the Interest and Linkage Adjudication Law, 5721-1961 (hereinafter the "Interest Adjudication Law"), as and from 30 days after the date of filing a claim for payment of insurance benefits under this policy. Nothing in this provision shall derogate from the court's authority under the aforementioned law.

#### **4. Reinstatement value**

4.1 Upon an insured event involving the apartment or contents, the insurance benefits shall be in accordance with reinstatement value of the apartment or contents, unless the insured waives such cover and this is documented by the insurer and noted in the policy specification. For this purpose, "reinstatement" – reconstruction, repair or replacement with new property of the same type and quality of the property which was lost or damaged.

Notwithstanding the aforementioned, the insurance benefits for electrical appliances aged over 5 years on the date of the accidental breakdown or loss shall be paid according to indemnification value.

4.2 Insurance benefits according to reinstatement value in regard to an insured event are conditional on the insured reconstructing, repairing or replacing the property which is lost or damaged, without changes in the quality and type of property which is lost or damaged. In the event that the property which is lost or damaged property is not reconstructed, repaired or replaced, the insurance benefits in regard thereto shall be in indemnification value.

4.3 In the event that a separate sum insured is specified for any of the contents items, the insurance benefits paid due to loss or damage caused to it shall not exceed the sum specified in regard thereto it in the specification.

4.4 In the event that a separate sum insured is not specified for any of the contents items, however, the specification determines that the insurance benefits will be in accordance with reinstatement value, the insurance benefits will be paid for the loss or damage caused to it in accordance with reinstatement value.

4.5 No insurance benefits will be paid according to reinstatement value due to loss or damage caused to clothing only.

4.6 The insurance benefits under this paragraph shall be paid according to the value of the property as new on the date of reinstatement or its value as new on the date of payment of the insurance benefits, the earlier of the two.

4.7 Reinstatement must commence within a reasonable time after the loss or damage, and in any event should be completed - in regard to the apartment - within 12 months after the date of the insured event. For the contents - within 90 days after the date of the insured event. If it is impossible to complete the reinstatement within the said periods for reasons which are not dependent on the insured, the reinstatement period will be extended in coordination between the insured and the insurer.

4.8 The insurer's liability under this section shall not exceed the sum insured noted in the specification in respect of the apartment, contents, or item, as the case may be.

#### **5. Claim for insurance benefits**

5.1 Following the occurrence of the insured event, the Insured shall notify the insurer immediately upon learning thereof.

5.2 Any claim for payment of insurance benefits under the policy shall be documented by the insurer. Nothing in the aforementioned shall prevent the insurer from demanding that the claim be submitted in writing.

- 5.3 The Insured shall furnish the insurer, within a reasonable time after being required to do so, the information and documents needed to ascertain the liability and the scope thereof; and if they are not in his possession, he must assist the insurer to the best of his ability to obtain them.
- 5.4 Immediately after receipt of the Insured's notice concerning the insured event, the insurer shall do whatever is necessary to ascertain its liability.
- 5.5 The insurance benefits will be paid within 30 days from the time when the insurer is in possession of the information and documents needed to ascertain its liability.

**6. Notice to the Police in regard to malicious acts, burglary, robbery or theft**

The Insured shall notify the police in any event of loss or damage arising, in his opinion, from a malicious act, burglary, robbery or theft.

**7. Property Found**

- 7.1 If property which was stolen is found prior to payment of insurance benefits under this Policy, the property will be returned to the Insured, and the insurer shall not pay insurance benefits unless the returned property was damaged.
- 7.2 If property that was stolen is found after insurance benefits are paid, the insurer shall inform the insured or vice versa. The property found will transfer to the ownership of the insurer unless the insured notifies the insurer - within 30 days after notification by the insurer or insured as the case may be - that he wishes to receive the property found, in exchange for returning the insurance benefits to the insurer during the said period.

**8. Advance payment and benefits which are not in dispute**

- 8.1 Upon the occurrence of an insured event, the insured shall be entitled to receive a down payment or a financial obligation from the insurer, which will allow him to obtain service to repairing the damage or loss, on account of the monies due from the insurer under the conditions of this policy.
- 8.2 In the event that the insurer remits an advance payment on account of the insurance benefits, such advance payment will be deducted from the final sum payable to the insured. The deduction will be calculated while linking the advance payment to the index or the Price Index of Input in Residential Building, as the case may be, from the date of the advance payment and until the date of the final payment.
- 8.3 Insurance benefits which are not in dispute shall be paid within 30 days after the date the insured files a claim for payment of insurance benefits in accordance with Chapter G, paragraph 5, which may be claimed separately from the other benefits.

**9. Reinstatement of the sums insured**

- 9.1 After the insured is paid insurance benefits due to an insured event, the insurer shall reinstate the scope of its liability under this policy to its state shortly prior to the occurrence of the insured event.



- 9.2 The insurer may charge additional insurance fees for reinstating the insurance to its former state, from the date of the insured event and until the end of the insurance period. For the purpose of calculating the insurance fees which the insured will be obliged to pay for reinstatement of the sum insured, only the insurance benefits actually paid by the insurer shall be taken into account.

## **10. Deductible**

- 10.1 Upon the occurrence of an insured event which is covered under this policy, the deductible noted in the specification shall be deducted from the insurance benefits in respect of each claim.
- 10.2 If a deductible is noted in respect of a specific insured event as a percentage of the sum insured, the deductible shall be calculated separately for each of the policy chapters.
- 10.3 Without derogating from whatsoever appearing in paragraphs 10.1 and 10.2, upon the occurrence of an insured event under Chapters A and B of this policy, the insured shall be charged a single deductible, which shall not exceed the higher of the sums noted in the specification.

## **11. Payment of insurance premiums and other fees**

- 11.1 The insurance fees and all other sums due from the Insured to the insurer in connection with this Policy shall be paid in the manner and on the dates noted in the specification.
- 11.2 For purposes of this Policy, the insurance fees constitute the total payments which the insurer may charge the insured, all as specified in the specification.
- 11.3 If any sum due from the insured to the insurer is not paid on time, the sum in arrears shall bear annual interest as provided in the Interest and Linkage Adjudication Law in accordance with the changes in the index, between the index last published prior to the date set for payment and the index last published prior to the date of actual payment.
- 11.4 If any sum in arrears, as aforementioned, is not paid within 15 days after the insurer demands in writing that the insured do so, the insurer may notify the insured in writing of cancellation of the insurance within a further 21 days, unless the sum in arrears is defrayed prior thereto. Where a beneficiary other than the insured is irrevocably specified, the insurer may cancel the insurance if it notified the beneficiary in writing of the said arrears and the beneficiary failed to defray the sum in arrears within 15 days from the date of delivery of said notice.
- 11.5 Cancellation of the insurance according to this paragraph shall not derogate from the Insured's duty to pay the sum in arrears relating to the period until the said cancellation, as well as the insurer's expenses.

## **12. Disclosure and change in a material matter**

- 12.1 This policy was issued on the basis of the answers given by the insured to the insurer, in writing or in any other way which shall be documented by the insurer, to all the questions asked in the proposal which served as a basis for the policy, and on the basis of the insurer's assumption that the insured would provide full and frank responses to the questions asked as aforementioned, that the insured

did not intentionally conceal a matter which he knew was material for the insurer in order to estimate the insured risks, and that it he initiated measures to prevent damages – which the insurer has demanded in writing be initiated to mitigate the risks insured under this policy.

- 12.2 A material matter is a matter in respect of which a question was presented in the insurance proposal - in writing or in any other way which shall be documented by the insurer - and without derogating from the generality of the aforementioned, including the following matters:
- 12.2.1 Regarding the apartment: the apartment address, value of the apartment, type of the building, building material, location of the apartment in the building, safety measures of any type, age of the apartment, size of the apartment, number of rooms, number of people regularly living in it, additions and special modifications.
- 12.2.2 Regarding the contents: description of the items constituting the contents, value of the contents, details of the electrical appliances: their type, make, age and value, as well as details of the valuables.
- 12.2.3 Without derogating from paragraphs 12.2.1 and 12.2.2, regarding the apartment and the contents: damages occurring in the last three years as a result of risks covered by this policy, as well as details of previous insurers which insured or refused to insure the apartment or contents, in the last three years.
- 12.3 If the insured fails to provide full and frank responses to questions in regard to material matters, or intentionally conceals a material matter from the insurer with fraudulent intent, or fails to initiate the measures required by the insurer to mitigate the risks insured under this policy, the insurer will act in accordance with the provisions of the Insurance Contract Law. This paragraph shall not deny the insurer any remedy granted to it by law.
- 12.4 In the course of the insurance period, the insured shall notify the insurer of any change in a material matter, as soon as he learns thereof. In the event that the insured fails to disclose such a change to the insurer, the insurer will be entitled to cancel the policy or reduce the scope of its liability in accordance with the provisions of the Insurance Contract Law.

### **13. Cancellation of the policy**

- 13.1 The insured may cancel the policy at any time before the end of the insurance period, at his discretion. The insurance will be canceled on the date reported to the insurer, or at a later date in accordance with the insured's request.
- 13.2 Without derogating from to the insurer's rights under law, the insurer may cancel the insurance before the end of the insurance period due to fraud on the part of the insured or due to improper disclosure of details in regard to which he was asked before issuing the policy, provided that notice of the cancellation – including the reasons for the cancellation - is sent to the insured by registered mail 30 days At least before the date on which the insurance is canceled.
- 13.3 In the event that the insured gives notice regarding cancellation of the policy as stated in paragraph 13.1, or notifies the insurer of cancellation of a policy as stated in paragraph 13.2, the insurer shall return to the insured as soon as possible, and no later than 14 days after the date on which the cancellation takes

effect, the pro-rata share of the insurance fees paid. The aforementioned pro-rata share shall be calculated by multiplying the insurance fees charged by the insurer by the ratio between the number of days remaining (on the date of cancellation) until the end of the original insurance period, and the number of days included in the original insurance period.

- 13.4 All the sums reimbursed under this paragraph shall vary in accordance with changes in the index, between the index published soon before the date of payment of the insurance fees and the index published soon before the date of refund of the insurance fees. If the insurance premiums are paid in instalments, each sum shall vary according to changes in the index, between the index published soon before the date of payment and the index published soon before refund of the insurance fees.
- 13.5 Notwithstanding whatsoever appearing in this paragraph, a liened policy shall be cancelled 30 days after the notice is given to the beneficiary in regard to the cancellation.

#### **14. Double insurance**

- 14.1 If the apartment or contents are insured against the risks included in this policy with more than one insurer for overlapping periods, the insured shall notify the insurer immediately after the double insurance is placed or immediately after he learns thereof.
- 14.2 In the event of double insurance, the insurers shall be liable vis-à-vis the insured separately for the full sum, and among themselves, they shall bear payment of the insurance benefits according to the ratio between the sums insured.

#### **15. Replacement of the apartment**

- 15.1 In the event that the insured replaces the apartment in the course of the insurance period and moves to another apartment (hereinafter the "new apartment") the insured may – after giving notice to the insurer and with its consent - transfer the cover under this policy to the new apartment and the cover for the apartment and contents will continue to be valid in the new apartment. In accordance with the insured's notice, and in accordance with the conditions of the existing policy, notwithstanding whatsoever appearing in this sub-paragraph, the cover for the contents will continue to be valid in both apartments for a period not exceeding 3 days.
- 15.2 If the value of the new apartment or contents exceeds the value of the apartment or contents on the date of moving to the new apartment, the insured will increase the sums insured accordingly and within 30 days from that date, pay the insurer the difference in the insurance fees, prorata for the increase in the sums insured. The calculation of the insurance fees for the increase in the sums insured shall take into account the increase in the value of the apartment or contents from the inception of the insurance period and until the moving date.
- 15.3 If the value of the new apartment or contents decreases vis-à-vis the value of the apartment or contents on the date of moving to the new apartment, the insured shall reduce the sums insured accordingly, and receive from the insurer the prorata difference in the insurance fees for reduction of the sums insured within 30 days after that date. Calculation of the insurance fees for reduction of the insurance fees shall take into account the increase in the value of the apartment or contents from the inception of the insurance period until the moving date.

**16. Subrogation**

- 16.1 If due to the insured event, the insured shall also have a right to compensation or indemnification against a third person - not by virtue of an insurance contract - such right shall pass to the insurer once it pays the insured insurance benefits and in accordance with the rate of benefits paid.
- 16.2 The insurer may not use a right transferred to it under this paragraph in a manner which will adversely affect the insured's right to collect from the third person compensation or indemnification in excess of the benefits received from the insurer.
- 16.3 In the event that the insured receives from the third person compensation or indemnification which is due to the insurer under this paragraph, he shall transfer same to the insurer. In the event that the insured compromises, waives or performs another action which adversely affects the right which transferred to the insurer, he shall compensate the insurer in regard thereto
- 16.4 The provisions of this paragraph shall not apply if the insured event was caused unintentionally by a person from whom a reasonable insured would not claim compensation or indemnification, due to family or employment or lessee – lessor relations between them, and provided that the lessee and lessor waived the right subrogation one vis-à-vis the other.

**17. Prescription**

The period of prescription of a claim for insurance benefits under this policy shall be in accordance with the period prescribed in the Insurance Contract Law.

**18. Consequential damage**

The Insurer shall not be liable for any consequential damages suffered by the insured or the beneficiary as a result of the risks covered by the policy, unless otherwise noted in this policy.

**19. Notices**

- 19.1 Any notice by the insured or of the beneficiary to the insurer, shall be given in writing to one of the following:
  - 19.1.1 The address of the insurer's office as noted in the heading of this policy, or any other address in Israel of which the insurer shall notify the insured or the beneficiary from time to time.
  - 19.1.2 The office of the insurance agent noted in the policy - according to his address as specified therein, or to any other address of which the insurance agent or insurer shall inform the insured or beneficiary from time to time.
- 19.2 A notice by the insured or the beneficiary to the insurer may be given in any of the methods noted in sub-paragraph 19.1, of which the insurer shall give notice to the insured or the beneficiary from time to time.