



JOINT STOCK COMPANY  
"KAZAKHMYS INSURANCE COMPANY"

**APPROVED**

**By the decision of the Board of Directors**

**JSC "Kazakhmys IC"**

**Protocol No. \_\_\_\_\_**

**"\_\_" \_\_\_\_\_ 2018.**

**RULES**

<b>Quality management system PS-120-18</b>	<b>Revision 05</b>
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## **1. GENERAL PROVISIONS**

- 1.1. Under the terms of these Rules of Voluntary Motor Transport Insurance of JSC "Insurance Company "Kazakhmys" (hereinafter - Regulations), JSC "IC "Kazakhmys" concludes contracts of voluntary insurance of motor transport (hereinafter - insurance contract) with legal entities (regardless of ownership) and legally capable individuals (regardless of citizenship).
- 1.2. According to these Rules, road transport means mechanical vehicles subject to state registration, intended for transportation of people and (or) goods (motor vehicles, cars, trucks and cargo-passenger cars, tractors, vans, buses, trolleybuses, streetcars, tractors, trailers and semi-trailers, trains) and special vehicles (designed to perform various, mainly non-transport work).
- 1.3. The Policyholder may define a third party as the Insured in the Insurance Contract.
- 1.4. Insured can be legal entities, capable citizens of the Republic of Kazakhstan, foreign nationals permanently residing in the territory of the Republic of Kazakhstan, stateless persons.
- 1.5. The conclusion of an Insurance Contract in favor of the insured does not release the Policyholder from fulfilling obligations under this Insurance Contract.
- 1.6. If the Insured is a legal entity, the insurance coverage applies to the Insured, drivers (employees) of the Insured using at the order of the Insured the motor vehicle specified in the Insurance Contract. These drivers (employees) of the Insured shall be the persons authorized to drive under the Insurance Contract.
- 1.7. The Policyholder, Insured and (or) a person authorized to drive a motor vehicle must have the following documents when driving a motor vehicle:
  - a driver's license with permissive marks that allow you to drive an insured motor vehicle;
  - registration documents for motor transport (vehicle registration certificate or other documents);
  - a waybill, if in accordance with the legislation of the Republic of Kazakhstan it is necessary;
  - a document confirming the right to own, use or dispose of motor transport, in the case of driving a motor transport in the absence of its owner;
  - lease agreement, if motor transport is operated in accordance with the lease agreement.
- 1.8. The Policyholder has the right to appoint any person as a Beneficiary at the conclusion of the Insurance Contract.
- 1.9. The policyholder, the Insured, who are not the owner of motor transport (property) during insurance, must have documents confirming the existence of interest in the preservation of this motor transport (property) and certifying the amount of its liability to the owner.
- 1.10. An insurance contract concluded if the Policyholder, the Insured, who are not owners of motor transport, has no interest in preserving the insured motor transport (property) is invalid.
- 1.11. The Policyholder has the right to replace the Beneficiary specified in the Insurance Contract with another person prior to the occurrence of an insured event by notifying the Insurer in writing.
- 1.12. The Beneficiary cannot be replaced by another person after he has fulfilled certain obligations under the Insurance contract arising from his agreement with the Policyholder, or has submitted a claim to the Insurer for the insurance payment.

## **2. REGULATORY REFERENCES**

- 2.1. These Rules are developed in accordance with:
  - Law of the Republic of Kazakhstan "On insurance Activity";
  - Civil Code of the Republic of Kazakhstan;

## **3. ABBREVIATIONS AND ACRONYMS**

### **Policyholder**

–a legal entity (regardless of the form of ownership) and a capable individual (regardless of citizenship) who has concluded an insurance contract with an insurer.

### **Insurance interest**

the property interest of the Policyholder (insured, beneficiary) in preventing risks and preventing the occurrence of an insured event.

<b>Insured</b>	–the person in respect of whom the insurance is carried out.
<b>Beneficiary</b>	–a person who, in accordance with the insurance contract, is the recipient of the insurance benefit.
<b>Insurance premium</b>	–the amount of money that the policyholder is obliged to pay to the insurer for the latter's acceptance of obligations to make an insurance payment to the policyholder (beneficiary) upon the occurrence of an insured event in the amount determined by the insurance contract.
<b>Insurance fee</b>	–part of the insurance premium, when paying the insurance premium in installments.
<b>Insurance payment</b>	–the amount of money paid by the Insurer to the Insured (Beneficiary) within the insured amount upon the occurrence of an insured event.
<b>Insurance rate</b>	–percentage or monetary expression of the amount of the insurance premium.
<b>Franchise</b>	–the exemption of the insurer from compensation for losses not exceeding a certain amount, provided for in the terms of the insurance contract. The franchise is determined by agreement of the parties. The franchise can be conditional (non-deductible) and unconditional (deductible).
<b>Conditional (non-deductible) franchise</b>	–The insurer is released from liability for damage not exceeding the established amount of the deductible and must compensate the damage in full if its amount is greater than the amount of the deductible.
<b>Unconditional (deductible) franchise</b>	–The insurer is released from liability for damage not exceeding the established amount of the franchise, if the amount of damage is greater than the amount of the franchise, the insurer compensates for the damage minus the franchise.
<b>Insurance territory</b>	–the territory in which the insurance contract is valid is established by agreement of the parties.
<b>Independent expert</b>	–individuals and/or legal entities with special knowledge, involved in the examination and carrying out their activities on the basis of a state license.
<b>Depreciation</b>	–the percentage of depreciation of motor transport, calculated depending on the year of manufacture and mileage of motor transport.

#### **4. LIST OF INSURANCE OBJECTS**

- 4.1. The object of insurance is the property interest of the Policyholder associated with the possession, use, disposal of the vehicle specified in the Insurance Contract (hereinafter referred to as the vehicle or motor transport), as well as the risk of its loss (death) as a result of insured events defined in these Rules.
- 4.2. Under the Insurance Contract concluded on the basis of these Rules, motor transport (hereinafter referred to as motor transport) is subject to insurance:
  - cars, trucks and vans, tractors, minibuses, buses, trolleybuses, streetcars, trailers and semi-trailers, road trains;
  - motor vehicles (motorcycles, scooters, sidecars, mopeds, tricycles, motorcycles, snowmobiles, motorcycles with an engine capacity of at least 49.8 cc);
  - special vehicles (designed to perform various, mostly non-transport work).
- 4.3. By agreement of the parties, specifically stipulated in the Insurance Contract, the following property (hereinafter referred to as property) may be insured: additionally installed equipment and accessories of motor transport that are not included in the factory equipment (automotive television and radio equipment, additional equipment of salons, lighting, signaling and other equipment, seat

covers, special painting, devices for towing a trailer, air conditioning, devices installed on motor transport, etc.).

- 4.4. The insurance contract may define other types of motor transport (property), in respect of which an Insurance Contract may be concluded by agreement of the parties.

## **5. THE PROCEDURE FOR DETERMINING THE INSURED AMOUNT. FRANCHISE**

- 5.1. Sum insured - the amount of money for which the object of insurance is insured and which represents the limit of the Insurer's liability for all insured events occurring during the term of the Insurance contract.
- 5.2. When insuring a motor vehicle (property), the sum insured cannot exceed its actual value at the time of the conclusion of the Insurance Contract (insured value).
- 5.3. The actual value means the cost of a new motor vehicle (property) of the same make as the insured one, taking into account its moral and physical wear and tear, or based on the market value of a similar motor vehicle (property) in the area, or its market value at the time of the Insurance contract, or based on the certificate of account issued by a trade organization, sales contract or assessment of an expert (appraiser).
- 5.4. The actual cost can also be determined by agreement of the parties, taking into account the initial cost of motor transport and depreciation, service life, technical condition and commercial type of motor transport.
- 5.5. The Parties may not dispute the insured value of motor transport and/or property defined in the Insurance Contract, except in cases when the Insurer proves that he was intentionally misled by the Policyholder.
- 5.6. If the insured amount determined by the Insurance Contract exceeds the insured value, it is invalid in that part of the insured amount that exceeds the insured value at the time of conclusion of the Insurance Contract.
- 5.7. If, at the time of conclusion of the Insurance Contract, the insured amount is set below the insured value, the Insurer, upon the occurrence of an insured event, makes an insurance payment in the amount of part of the actual damage suffered by the Policyholder (Insured) as a result of the occurrence of the insured event, in proportion to the ratio of the insured amount to the insured value.
- 5.8. The insurance amount is established by agreement of the parties within the following limits:
- 1) motor transport - in an amount not exceeding the actual cost of motor transport;
  - 2) additional equipment – in the amount of the actual cost of additional equipment, taking into account its installation on road transport.
  - 3) for pledged motor transport – in an amount not exceeding the actual cost of motor transport or in the amount of the amount owed under the loan agreement, but not exceeding the actual cost of motor transport at the time of conclusion of the insurance contract.
- 5.9. The total insurance amount under the Insurance Contract is made up of individual insurance amounts for each object accepted for insurance.
- 5.10. The insurance contract may establish:
- 1) total insured amount - the total maximum amount of liability for all insured events for the entire period of insurance coverage;
  - 2) the sum insured for each object accepted for insurance;
  - 3) the sum insured for each or several insured events;
  - 4) the sum insured for a series of insured events as a result of one event;
  - 5) the sum insured for each insurance risk, or for a group of insurance risks;
  - 6) other types of insurance amounts.
- 5.11. The insurance contract may provide for an unconditional or conditional deductible, the type and amount of which is determined by agreement of the parties.

## **6. INSURANCE PREMIUM AND THE PROCEDURE FOR ITS PAYMENT**

- 6.1. The amount of the insurance premium payable under the Insurance Contract is calculated according to the insurance rates that determine the rate of the insurance premium charged per unit of the insured amount, taking into account the object of insurance and the nature of the insured risk.
- 6.2. The insurance contract establishes the total insurance premium. Also, the insurance contract may set the insurance premium for each object and for each insured risk based on the sum insured and the insurance rate.
- 6.3. When determining the amount of insurance premium to be paid, the insurer has the right to use increasing and decreasing coefficients to the basic insurance rates, determined depending on risk factors: year of manufacture, availability of alarm system, use for commercial purposes, etc.
- 6.4. The Insurance premium is payable by the Policyholder at a time or in installments in the form of periodic insurance premiums, in cash or non-cash form.
- 6.5. If the Policyholder fails to pay the insurance premium (insurance payment) within the period specified in the insurance contract, the Insurer has the right to terminate the insurance contract unilaterally in accordance with the laws of the Republic of Kazakhstan from the date of non-payment of the insurance premium (insurance payment).
- 6.6. If an insured event occurs before the payment of a certain insurance premium (insurance payment), the payment of which is overdue, the insurer has the right to offset the amount of the unpaid insurance premium (insurance payment) when determining the amount of the insurance payment.
- 6.7. If an insured event occurs before the payment of a certain premium (insurance payment), the payment of which is overdue, the insurer has the right to refuse the insurance payment.
- 6.8. The insurance contract may be renewed if its validity was terminated due to the termination of the contract due to the failure of the Policyholder to pay the next part of the insurance premium. The validity period of the Insurance Contract is not extended. The Insurer is not liable under the Insurance Contract in the period from the moment of its termination to the moment of its renewal, and the insurance payment for insured events that occurred during this period is not carried out.
- 6.9. In case of insurance for a period of more than one year, the total insurance premium under the Insurance Contract is set as the sum of insurance premiums for each year. At the same time, for insurance for a period of less than a year or in the case of insurance for a period of more than one year, where there is not a full year, the insurance premium is calculated as follows:

Term up to	Up to 1 m	2 m	3 m	4 m	5 m	6 m	7 m	8 m	9 m	10 m	11 m
% of the annual insurance premium	20%	30%	40%	50%	60%	70%	75%	80%	85%	90%	95%

## 7. LIST OF INSURED EVENTS

- 7.1. An insured event is an event that has signs of probability and randomness of its occurrence, provided for by the insurance contract, with the onset of which the Insurer is obliged to make an insurance payment to the Policyholder (Beneficiary).
- 7.2. Under an insurance Contract concluded in accordance with these rules, the risk of loss (death) or damage to motor transport and/or property as a result of the following events (in aggregate or any combination thereof) is subject to insurance:
  - 1) a traffic accident is an event that occurred during the movement of an insured motor vehicle along the road and with its participation;
  - 2) other transport accident - an event that occurred with the participation or in relation to the insured motor transport, caused by accidental external influence and /or occurred in the adjacent territory (territory directly adjacent to the road and not intended for through traffic of vehicles, including courtyards, residential areas, parking lots, gas stations, enterprises), namely: collision with another



vehicle, hitting (impact) on stationary or moving objects (structures, obstacles, animals, etc.), overturning, falling of motor transport, as well as the fall of an object on it (snow, ice, etc.), a failure under the ice, a failure under the road surface due to subsidence of the soil, a stone falling into the insured motor vehicle from under a moving vehicle (including from under the insured motor vehicle);

- 3) fire (uncontrolled combustion process outside the place of special hearth, causing material damage and endangering human safety), explosion, lightning strike;
- 4) natural disasters, namely: a hurricane (the movement of air masses caused by weather conditions with a wind force corresponding to 8 points on the Beaufort scale - a wind speed of more than 60 km/h) or a storm, hail, flood, earthquake, landslide, mudflow;
- 5) illegal actions of third parties (with the exception of theft), including damage to motor vehicles as a result of theft (unlawful seizure of motor vehicles without the purpose of theft);
- 6) robbery, theft, burglary, extortion (hereinafter the combination of these events is referred to as the "risk of "theft").

7.3. The specific list of insured risks and events is specified in the Insurance Contract.

7.4. When insuring against the events specified in subparagraph 5) of paragraph 7.2 of these Rules, the Policyholder (Insured) must ensure that during the validity of the insurance coverage:

- 1) motor vehicles were equipped with an anti-theft alarm or a device that immobilizes the steering wheel;
- 2) at night, the car transport was in a safe fenced place, a guarded parking lot or garage;
- 3) when leaving the vehicle unattended, all windows and locks were closed and the anti-theft alarm was on, or the steering wheel was immobilized.

7.5. If the Insured (Insured person) fails to comply with the conditions specified in paragraph 7.4 of these Rules, the Insurer has the right to refuse the insurance payment for the insured event caused by the events referred to in subparagraph 5) of paragraph 7.2 of these Rules.

7.6. The Insurance coverage provides for the liability of the Insurer for events related to the performance by road of trips on permitted routes for the carriage of passengers, cargo and luggage in accordance with the purpose of motor transport specified in the application form of the Policyholder, except for the cases of the use of motor transport specified in paragraphs 7.7. and 7.8. of these Rules.

7.7. Additional coverage provides for the liability of the Insurer for events related to the performance of trips by motor transport under special programs, namely: for testing, setting records, demonstrating automotive equipment, for training drivers, during patrolling, fighting fires, spraying anything from motor transport and other events involving increased risk. Additional coverage is provided for an additional insurance premium and only by agreement of the parties.

7.8. Special insurance conditions (in addition to the basic conditions) provide for the coverage of risks in the event of war, aggression, hostilities and other hazards excluded by these rules from the number of covered risks when insured on basic or additional conditions. Insurance coverage under special conditions is also provided for an additional insurance premium and only by agreement of the parties.

7.9. An event considered as an insured event must have all of the following characteristics:

- 1) probabilities and randomness of the occurrence of the event;
- 2) unpredictability regarding the specific time or place of occurrence of the event, as well as the amount of losses resulting from the occurrence of the event;
- 3) there is no danger that the event must inevitably and objectively occur within the scope of the contract, which the parties or, at least, the Policyholder knowingly knew or were aware of in advance;
- 4) the occurrence of an event has negative, unfavorable economic consequences for the property interest of the Policyholder (Insured, Beneficiary);
- 5) the occurrence of the event is not related to the will and (or) intent of the Policyholder (Insured, Beneficiary) and does not provide for the purpose of extracting benefits and (or) obtaining winnings (speculative risk).

## **8. EXCLUSION FROM INSURANCE EVENTS AND INSURANCE LIMITS GROUNDS FOR REFUSAL TO MAKE AN INSURANCE PAYMENT**

- 8.1. The Insurer has the right to completely or partially refuse the insurance payment to the Policyholder if the insured event occurred as a result of:
- 1) intentional actions of the Policyholder, the Insured and (or) the Beneficiary aimed at the occurrence of an insured event or contributing to its occurrence, with the exception of actions committed in a state of necessary defense and extreme necessity;
  - 2) actions of the Policyholder, the Insured and (or) the Beneficiary recognized as intentional crimes or administrative offenses that are causally related to the insured event in accordance with the procedure established by legislative acts.
- 8.2. The following may also be the basis for the Insurer's refusal to make an insurance payment:
- 1) notification by the Policyholder to the Insurer of deliberately false information about the object of insurance, the insured risk, the insured event and its consequences;
  - 2) deliberate failure of the Policyholder to take measures to reduce losses from the insured event;
  - 3) receipt by the Policyholder of the appropriate compensation for the loss from the person responsible for causing the loss;
  - 4) obstruction by the Policyholder (Insured) to the Insurer/Assistance in the investigation of the circumstances of the insured event and in establishing the amount of the loss caused by it;
  - 5) failure to notify or untimely notification of the Insurer of the occurrence of an insured event gives him the right to refuse insurance payment, unless it is proved that the Insurer learned about the occurrence of the insured event in a timely manner or the absence of information from the Insurer about this could not affect his obligation to make the insurance payment, as well as in the case when the failure to notify or untimely notification is due to reasons beyond the control of the Policyholder and the relevant documents confirming this fact are provided;
  - 6) the Policyholder waiving his right of claim against the person responsible for the occurrence of the Insured Event, as well as refusing to hand over to the Insurer the documents necessary for the transfer of the right of claim to the Insurer;
  - 7) other cases specified in these rules.
- 8.3. The release of the Insurer from insurance liability to the Policyholder on the grounds of his unlawful actions provided for in paragraphs 8.1.-8.2. of these Rules simultaneously releases the Insurer from making insurance payments to the Insured or Beneficiary.
- 8.4. The following types of motor transport and property are not accepted for insurance:
- 1) motor transport that has significant corrosion or mechanical damage to the body and paintwork. Significant corrosion of the body means through corrosion with metal loss or corrosion of welded joints. Significant mechanical damage means mechanical damage in which motor transport is not suitable for operation;
  - 2) motor transport that does not have a body number, or they do not correspond to the registration documents;
  - 3) motor transport that has not passed the customs clearance procedure at the entrance to the Republic of Kazakhstan;
  - 4) antique and unique items, articles made of precious metals, semi-precious and ornamental stones, collections, manuscripts, paintings, religious objects, banknotes, securities, documents, photographs, firearms and explosives, as well as items not belonging to the insured and his family members, or intended for sale or related to entrepreneurial activity, located in the insured motor transport;
  - 5) radar detectors, removable car radio panels, removable car radios for insurance against events specified in subparagraph 5) of paragraph 7.2 of these Rules.
- 8.5. It is not an insured event and the Insurer does not make an insurance payment if the loss (death) or damage to motor transport and/or property occurred as a result of:
- 1) violations by the Policyholder, Insured of the rules of operation of motor transport (vehicles), including the use of a technically defective vehicle, a vehicle that has not passed technical inspection



in accordance with the established procedure, as well as violations of fire safety rules, rules for the transportation and storage of flammable and explosive substances and objects, safety requirements for the transportation of passengers and cargo;

- 2) damage or loss (theft, theft) of a vehicle outside the insurance territory specified in the Insurance Contract;
  - 3) damage or loss of the vehicle, if the Insured or the person specified in the contract was in one of the following states: the fact of use of (any) psychoactive substance is established, no signs of intoxication are revealed; alcoholic intoxication by degrees (mild, moderate, severe); intoxication (narcotic, toxicomaniac) caused by the use of other psychoactive substances (drugs - opioids, cannabinoids, cocaine, sedatives, sleeping pills, psychostimulants, hallucinogens, volatile solvents and others), and/or after the use of drugs that affect psychomotor functions of the body;
  - 4) any actions of one or more persons aimed at achieving political or terrorist goals, regardless of whether these persons are agents of sovereign States, and whether the damage as a result of these actions was caused accidentally or intentionally;
  - 5) confiscation, nationalization, seizure, detention, seizure, requisition by or by order of any government (civil, military or existing defacto), or state or local authorities;
  - 6) war, aggression, military actions of external enemies (regardless of whether war is declared or not), civil war, unrest, revolution, riot, martial law actions, attempts to seize power, actions of persons or bodies seizing power by military coup or other illegal means;
  - 7) actions of any weapon using atomic or nuclear decay and/or synthesis or any similar reaction or radioactive forces and substances;
  - 8) strikes, riots, civil unrest and violations of labor discipline;
  - 9) damage caused as a result of factory defects;
  - 10) improper use of the vehicle, as well as the use of the vehicle for purposes other than those specified in the Policyholder's application form;
  - 11) use/operation of a vehicle with a technical malfunction, about which the Policyholder or the person specified in the contract knew or should have known;
  - 12) the use of a vehicle under special programs, namely: for testing, test drives, setting records, demonstrating various equipment or decorations of an advertising, entertainment nature, for driving training, fire fighting, pollution, to rescue someone or something and other events that have an increased risk, as well as the operation of the vehicle for purposes other than those specified in the Policyholder's application;
  - 13) the use of the insured vehicle by a person other than specified in the Insurance Contract, with the exception of persons committing unlawful acts against the insured vehicle;
  - 14) rent, lease, loan or use of the insured vehicle without a written agreement with the Insurer;
  - 15) progressive causes, including but not limited to wear and tear, rust, corrosion, mold, mildew, fungus, wet or dry rot, gradual deterioration, latent defects, factory defects, slowly developing deformation or distortion, insect debris, parasite/microbial activity of any kind and rodent infestation, factory defects;
  - 16) a fire that has arisen as a result of a vehicle malfunction, a short circuit of electrical wiring and other electrical equipment;
  - 17) transportation of a vehicle by any type of transport;
  - 18) the use of fire sources to warm up the vehicle.
- 8.6. They are not an insured event:
- 1) losses caused by theft, damage, destruction of a set of tools, first aid kit, fire extinguisher, emergency stop sign, stationary anti-theft devices, if they were not installed by the manufacturer or were not insured as additional equipment;
  - 2) losses from damage to tires or wheel discs, if there is no damage to other components and parts of motor transport caused by this insured event;
  - 3) losses caused by theft of registration marks;

- 4) losses caused by breakdown, failure, failure of parts, assemblies and aggregates of motor transport as a result of its operation, including as a result of foreign objects and substances entering the internal cavities of aggregates;
  - 5) losses related to the natural wear of motor transport, additional equipment;
  - 6) losses caused by damage or theft of the awning - when insuring trucks, truck modifications of passenger cars, trailers and semi-trailers.
- 8.7. The following may also be the basis for the Insurer's refusal to make insurance payments under the contract:
- 1) the occurrence of an insured event during the period when the contract has not entered into force;
  - 2) absence of the conclusion of the competent authorities on the insured event;
  - 3) non-payment by the Policyholder of the insurance premium or its next part within the terms determined by the Insurance Contract;
  - 4) a significant violation by the Policyholder (Insured) of their obligations stipulated in the Insurance Contract. The parties have established that essential, in any case, are such violations (non-performance / improper performance) of the Policyholder (Insured) of their obligations under the contract, which have caused or contributed to (may lead or may contribute to) the occurrence of the insured event (for example, giving the ignition key to a person who is not insured under the terms of the insurance contract), and the non-performance and/or improper performance of the Insured/Uninsured of their obligations under the contract.
  - 5) refusal of the Policyholder to provide the Insurer with the documents necessary for the transfer of the right to claim damages from the person responsible for the occurrence of the insured event.
  - 6) obtaining appropriate compensation for damage from the person responsible for the occurrence of the insured event;
  - 7) intentional actions of the Insured (Beneficiary), aimed at the occurrence of the insured event or contributing to its occurrence, with the exception of actions committed in the state of necessary defense and extreme necessity;
  - 8) notification by the Policyholder to the Insurer of deliberately false information about the object of insurance, the insured risk, the insured event and its consequences;
  - 9) intentional failure by the Policyholder to take measures to reduce losses from the insured event;
  - 10) obstruction by the Policyholder to the Insurer in investigating the circumstances of the occurrence of the insured event and in determining the amount of the loss caused by it;
  - 11) transfer of the ignition key, control panel, key fob-alarm control panel, card, active and passive activators of electronic and electronic-mechanical anti-theft systems, key from mechanical anti-theft devices of the insured vehicle, as well as title documents for it to persons not specified in the Insurance Contract;
  - 12) failure to notify the Insurer in writing by the Policyholder (insured) of the loss by the latter of the key and/or key fob-alarm control panel, card, active and passive activators of electronic and electronic-mechanical anti-theft systems, the key to mechanical anti-theft devices of the insured vehicle within 3 (three) working days from the date of occurrence of one of these events;
  - 13) if during the theft/theft of the insured vehicle, its burglar alarm was not activated in the "loud" security mode (in the case when the vehicle was equipped with an appropriate burglar alarm).
- 8.8. Also, the contract does not cover:
- 1) the policyholder's expenses for the storage and transportation of a damaged vehicle, for the disposal of an unusable (deceased) vehicle;
  - 2) expenses for conducting cases related to the insured event and its proof in the authorized bodies (expenses for photocopies, notarization, examination, payment for the services of a lawyer, representative, translator, etc.);
  - 3) expenses for the improvement and modernization of the vehicle;
  - 4) moral damage and penalty of the policyholder;
  - 5) harm caused to third parties;
  - 6) lost profit of the Policyholder (Beneficiary);

- 7) expenses for compensation of fines, penalties, penalties and/or other administrative penalties and sanctions imposed on the Policyholder as a result of the occurrence of an insured event;
- 8) loss of the commercial appearance of the vehicle;
- 9) losses related to the natural wear of the vehicle;
- 10) other cases provided for by the current legislation of the Republic of Kazakhstan.

## **9. TERM AND PLACE OF VALIDITY OF THE INSURANCE CONTRACT**

- 9.1. The Insurance Contract enters into force and becomes binding on the parties within the time limits specified in the Insurance Contract.
- 9.2. The insurance contract terminates in accordance with paragraph 19.1 of these rules.
- 9.3. Unless otherwise stipulated by the Insurance Contract, the period of validity of the insurance protection coincides with the term of the Insurance Contract.
- 9.4. The place of validity of the Insurance Contract (insurance territory) applies exclusively to the territory specified in the Insurance Contract.

## **10. PROCEDURE FOR CONCLUDING AN INSURANCE CONTRACT**

- 10.1. The insurance contract is concluded on the basis of a completed application form signed by the Policyholder.
- 10.2. The application form filled out by the Policyholder is an integral part of the Insurance Contract.
- 10.3. When concluding an Insurance Contract, the Policyholder is obliged to inform the Insurer of all circumstances known to the Policyholder (Insured) that are essential for determining the probability of an insured event and the amount of possible losses from its occurrence (insurance risk), if these circumstances are not known and should not be known to the Insurer.  
The essential circumstances, depending on the terms of the Insurance Contract, are determined by the Insurer and indicated in the application form provided by the Policyholder at the conclusion of the insurance contract.
- 10.4. An insurance Contract cannot be concluded in the absence of the Policyholder's answers to the questions specified in the Insurer's application form regarding material circumstances.  
If the Insurance Contract is concluded in the absence of the Policyholder's answers to any questions of the Insurer, the latter cannot subsequently demand the termination of the Insurance Contract or its invalidation on the grounds that the relevant circumstances were not reported by the Policyholder.
- 10.5. The Insurer has the right to change the form and the requested information of the application form.
- 10.6. The Policyholder is responsible for the correctness of the information about the insured motor transport and/or property.
- 10.7. If after the conclusion of the Insurance Contract it is established that the Policyholder has informed the Insurer knowingly false information, the Insurer has the right to demand recognition of the Insurance Contract as invalid.
- 10.8. The Insurer cannot demand that the Insurance Contract be declared invalid if the circumstances of which the Policyholder has omitted to mention have already disappeared.
- 10.9. If necessary, at its discretion, the Insurer has the right to demand from the Policyholder, and the Policyholder must attach documents confirming the ownership (right of use, possession and/or disposal) of the motor transport and property submitted for insurance, indicating its value and characteristics.
- 10.10. The Insurer is responsible for the incompleteness of the conditions to be specified in the Insurance Contract. In the event of a dispute arising under the Insurance Contract due to the incompleteness of its individual terms, the dispute is resolved in favor of the Policyholder. The terms of this clause do not apply to reinsurance contracts.
- 10.11. When concluding an Insurance Contract, the Insurer has the right to demand from the Policyholder:
  - 1) ensuring the possibility of conducting an inspection of motor transport (property);
  - 2) The Insurer has the right to check the availability and condition (inspect) of motor transport and/or

property, the correctness of the information provided by the Policyholder about motor transport and/or property, and, if necessary, to appoint an examination in order to establish its actual value and degree of risk.

- 10.12. The insurance contract is concluded in writing.
- 10.13. If the Insurance Contract contains conditions that worsen the situation of the Policyholder in comparison with those provided for by legislative acts, the rules established by these legislative acts apply.
- 10.14. In case of loss of the Insurance Contract, the Insurer, at the request of the Policyholder, issues a duplicate, which has the same legal force with the original.
- 10.15. Amendments and additions to the Insurance Contract may be made during its validity period only with the consent of the parties and are formalized by an additional agreement.

## **11. RIGHTS AND OBLIGATIONS OF THE PARTIES**

- 11.1. The policyholder has the right to:
  - 1) upon recognition of an event as an insured event, receive an insurance payment in accordance with the procedure and terms established in these Rules;
  - 2) if the Insurance Contract is lost, get a duplicate of it;
  - 3) to change the terms of the contract with the consent of the Insurer;
  - 4) terminate the contract prematurely in accordance with the procedure and terms established by these insurance rules.
- 11.2. The policyholder is obliged to:
  - 1) pay the insurance premium in the amount and within the terms specified in the contract;
  - 2) report on other Insurance Contracts in force with respect to the object of insurance during the period of validity of the contract;
  - 3) freely allow the representative of the Insurer or his representative to inspect the damaged insured vehicle;
  - 4) when using a vehicle for commercial purposes, such as: taxi, minibus, private hauling, etc., as well as for purposes other than those specified by the Policyholder in the application form, inform the Insurer in writing within 3 (three) working days;
  - 5) use the vehicle only in accordance with its intended purpose and for the purposes specified by the Policyholder in the application form, as well as take all measures to protect it (according to the Policyholder's application form), compliance with traffic rules;
  - 6) comply with all fire safety requirements, including mandatory, according to the instructions of the fire services to eliminate violations of the fire safety regime;
  - 7) in case of transfer of the right to use motor transport to a person not specified in the Insurance Contract, the Policyholder is obliged to immediately notify the Insurer in writing within 2 (two) working days.
  - 8) within the time limits agreed in writing with the Insurer, provide the injured insured vehicle for inspection to the representative of the Insurer (representative of the insurance company);
  - 9) in case of an accident, undergo a medical examination to establish the fact of the use of a psychoactive substance and a state of intoxication within four hours from the moment of the accident;
  - 10) immediately, but no later than 3 (three) working days from the moment of occurrence of an event that has signs of an insured event, notify the Insurer in writing about it;
  - 11) upon the occurrence of an insured event, ensure the safety of the insured vehicle until its inspection by the insurer's representative in the form in which it appeared as a result of the occurrence of the insured event;
  - 12) upon receipt of the insurance payment, transfer all documents and evidence to the Insurer and inform him of all the information necessary for the Insurer to exercise the right of claim transferred to him;
  - 13) within 15 (fifteen) working days from the date of receipt of the relevant written notification from the Insurer, to return to the Insurer the amount of the insurance payment if, within the limitation

period established by the legislation of the Republic of Kazakhstan, such a circumstance is found that, according to the law or under the contract, was the basis for refusal to make the insurance payment;

- 14) upon receipt of an insurance payment in the amount of the market value of the vehicle on the day of the occurrence of the insured event, taking into account the application of the franchise and depreciation conditions, within 1 (one) working day: provide the Insurer with a written application-abandonment (refusal of the Policyholder from property rights to the insured vehicle in favor of the Insurer) and transfer the vehicle or its remains, sets of keys together with key rings (originals), title documents (originals) to the insured vehicle to the Insurer, as well as remove the vehicle from the register with the administrative police committee on their own and at their own expense. At the same time, the Policyholder is obliged to provide the Beneficiary's written consent to the Policyholder's renunciation of property rights to the insured vehicle in favor of the Insurer, prior to the insurance payment.
  - 15) comply with the requirements of the vehicle operating instructions and the manufacturer's recommendations;
  - 16) use only components and consumables specially specified and recommended by the manufacturer;
  - 17) upon the occurrence of an insured event, immediately notify the competent authorities of the occurrence of an insured event;
  - 18) after the restoration repair upon the insured event, submit the vehicle for inspection to the Insurer for the purpose of fixing the fact of restoration.
  - 19) not to pass ignition keys, control panels, key fobs, cards, active and passive activators of electronic and electronic-mechanical anti-theft systems, keys of mechanical anti-theft devices of the insured vehicle, as well as documents of title on it to persons not specified in the Insurance Contract.
  - 20) in case of stones, falling of various foreign objects (snow and ice, trees and their branches, parts of buildings and objects thrown out of windows, debris of vehicles and flying objects, remnants of other objects thrown by the blast wave) to call a representative of the insurance company to fix the insured event. If the fall of foreign objects occurred outside the city, the Policyholder must immediately, but no later than 3 (three) working days after the occurrence of the insured event to apply to the nearest branch / regional division of the insurer to fix the damage.
  - 21) upon the occurrence of an insured event, immediately report to the relevant competent authorities authorized to investigate the circumstances of the occurrence of the insured event, namely:
    - bodies of the administrative police committee;
    - bodies of the fire service - in case of damage caused by fire;
    - the state body that supervises and controls the state of the environment - in case of damage to motor transport as a result of natural disasters, to obtain appropriate documents confirming the occurrence of natural disasters in the relevant territory;
    - medical institution - in the event that harm is caused to the life and health of the driver and/or passengers;
    - if the call or arrival of a representative of the insurance company is impossible or significantly hindered, due to the occurrence of an incident at a significant distance from settlements and places provided with cellular communication, the Policyholder (a person admitted to management) is obliged to call a representative of the insurance company (a representative of the insurer) at the first opportunity and provide the damaged motor transport before its repair for inspection and fixing damage within the time agreed in accordance with subparagraph 10) of this paragraph of the Rules.
  - 22) The policyholder has other rights and obligations stipulated by the contract and the current legislation of the Republic of Kazakhstan.
- 11.3. The insurer has the right to:
- 1) check the information provided by the Policyholder;
  - 2) refuse the Insured / Beneficiary in the insurance payment, if at the time of the insured event, the vehicle was driven by a person not envisaged in the contract as the insured;
  - 3) upon detection of the breach of the terms of the contract by the Policyholder, the Insurer has the



- right to give written instructions to eliminate them, binding on the Policyholder;
- 4) request from the competent authorities all the necessary documentation about the insured event;
  - 5) refuse the Insured / Beneficiary in the implementation of the insurance payment, if the insured event occurred as a result of a violation of the terms of the contract, as well as on the grounds specified in the terms of these insurance rules;
  - 6) when making the insurance payment, to offset the insurance premiums or insurance premiums due to the Insurer in the full amount provided for in the terms of the Insurance Contract, including insurance premiums and insurance premiums payable after the insurance payment;
  - 7) to demand a change in the terms of the contract or the payment of additional premium, in the case of notification by the insured of the circumstances that lead to an increase in the insured risk;
  - 8) defer payment until all the circumstances of the insured event are clarified on the basis of data and documents of the competent authorities;
  - 9) independently find out the causes and circumstances of the insured event, conduct an investigation into the causes and amount of the loss;
  - 10) if necessary, send requests to the competent authorities for the provision of relevant documents and information confirming the circumstances of the insured event;
  - 11) terminate the contract prematurely in accordance with the procedure and terms established in Article 19 of these Rules.

11.4. The insurer is obliged to:

- 1) Within the time agreed with the Policyholder to inspect the damaged vehicle with the participation of the Policyholder and subject to its provision by the Policyholder;
- 2) to make or refuse an insurance payment within the time limits provided for by these Rules;
- 3) reimburse the Policyholder (insured/beneficiary) for the expenses incurred by him to reduce losses in the event of an insured event;
- 4) familiarize the Policyholder with the insurance rules;
- 5) to ensure the secrecy of insurance;
- 6) The Insurer has other rights and obligations stipulated by the contract and the current legislation of the Republic of Kazakhstan.

11.5. The list of rights and obligations of the parties to this article is not exhaustive, individual obligations of the parties are provided for in other articles of these rules, and may be expanded in the Insurance Contract.

## **12. \ACTIONS OF THE POLICYHOLDER UPON THE OCCURRENCE OF AN INSURED EVENT**

12.1. Upon the occurrence of an event that has the signs of an insured event and/or the consequence of which may be the occurrence of an insured event, as well as upon the occurrence of an insured event, the Policyholder is obliged to:

- 1) take all reasonable and available measures in the circumstances to prevent or reduce possible losses, including measures to rescue and preserve damaged motor vehicles and/or property (if the insurer has been informed of instructions on taking specific measures, must follow them);
- 2) undergo a medical examination (expertise);
- 3) contact the relevant competent authorities authorized to investigate the circumstances of the occurrence of the insured event, namely:
  - a) bodies of the administrative police committee, - in case of any damage to motor transport;
  - b) bodies of the fire service, - in case of damage resulting from a fire;
  - c) investigative bodies of the Ministry of Internal Affairs, - in case of theft of motor transport or its aggregates, parts, systems, assemblies, devices, structural elements and (or) property;
  - d) the state body exercising supervision and control over the state of the environment - in case of damage to motor transport as a result of natural disasters, in order to obtain appropriate documents confirming the occurrence of natural disasters in the relevant territory.
- 4) ensure that the event is documented by authorized state and other competent authorities;
- 5) assist in documenting the event by state and other competent authorities, including in case of a

traffic accident:

- a) to record the data of the guilty person and witnesses, if it was possible to establish them;
  - b) check the reflection of all damage to motor transport in the protocol drawn up by the bodies of the administrative police committee when committing a traffic accident;
  - c) be present and assist in the drawing up by employees of the Administrative Police Committee of the scheme of the accident and the location of motor vehicles on the roadway, in case of disagreement with the scheme indicate his opinion at the time of its signing;
  - d) write an explanation to the bodies of the administrative police committee with a full reflection of the circumstances of the incident;
  - e) when signing the protocol on an administrative offense, in case of disagreement with the decision of the employees of the administrative police committee, state their opinion in the protocol.
- 6) take all necessary, possible and reasonable measures to ensure the right of claim against the person responsible for causing damages;
  - 7) as soon as possible, but no later than 3 (three) days, except for holidays and weekends, counting from the hour when he found out, notify the Insurer or his authorized representative of the occurrence of the event, inform him of all known information about the circumstances of the event, the types and estimated amounts of damage caused, coordinate further actions with the Insurer, as well as submit a written statement in the form established by the Insurer;
  - 8) to keep the damaged motor transport and/or property in the form in which it turned out to be as a result of the occurrence of the insured event, until its inspection by the Insurer. The Insurer shall inspect the damaged transport within the time agreed with the Policyholder. The Policyholder has the right to change the picture of the damage caused only if it is dictated by security reasons, reducing the amount of damage or if the consent of the Insurer is obtained for this;
  - 9) provide the Insurer with all the documents and information provided for in Article 13 of the Rules necessary for the insurance payment;
  - 10) provide the Insurer with the opportunity to inspect or inspect the place of the insured event (event) and damaged motor transport and /or property, investigation into the causes and amount of the loss, participate in measures to reduce the loss and rescue the insured motor transport (property).
- 12.2. The Policyholder is obliged not to take actions directed against the interests of the Insurer, as well as not to undertake any obligations; not to accept any offers; not to make payments and not to promise to make any payments related to this insured event without the written consent of the Insurer.
- 12.3. In case of damage, the Insurer or his representative is obliged to inspect the damaged motor transport and/or property with the participation of the Policyholder (Beneficiary) and draw up an Inspection Report (vehicle in case of an insured event). The inspection may be carried out in the presence of a representative of the competent authorities (internal affairs bodies, fire service). When establishing the person responsible for causing damage, measures should be taken to ensure his presence or his representative during the inspection of damaged motor vehicles and/or property. In case of non-appearance of this person or his representative, the inspection is carried out in their absence.
- 12.4. The representative of the Insurer has the right to proceed to the inspection of the affected motor transport and/or property, without waiting for the Policyholder's notification of the loss. The policyholder has no right to prevent him from doing so.
- 12.5. If the Policyholder is not insured, the obligation to notify the Insurer of the occurrence of an insured event and to take reasonable and affordable measures in the circumstances to prevent or reduce possible losses, including measures to rescue and preserve the insured motor transport (property), lies with the Insured.
- 12.6. The Beneficiary has the right to notify the Insurer of the occurrence of an insured event in all circumstances, regardless of whether the Policyholder or the Insured has done so or not.
- 12.7. The insurance contract may provide for other rights and obligations of the Policyholder (Insured, Beneficiary) upon the occurrence of an insured event.

### **13. LIST OF DOCUMENTS CONFIRMING OCCURRENCE OF THE INSURED EVENT AND THE AMOUNT OF DAMAGES**

- 13.1. Proof of the occurrence of an insured event, as well as the losses caused by it, lies with the Policyholder (Insured, Beneficiary).
- 13.2. The Policyholder (Insured, Beneficiary) must provide the following documents to the Insurer in order to receive the insurance benefit:
- 1) a statement on the occurrence of an event that has the signs of an insured event; a copy of the Insurance Contract; a power of attorney for the right to conduct business with the Insurer and receive insurance benefits (for a legal entity or in the case of representing the interests of the Beneficiary), a statement on the insurance payment with the details of the Beneficiary;
  - 2) documents confirming the right to own, use and dispose of the insured vehicle (a copy of the vehicle registration certificate; a copy of the identity card, travel document and a copy of the driver's license of the person driving the vehicle at the time of the insured event; a copy of another document confirming the right to own, use and/or dispose of the vehicle on behalf of the owner, etc.);
  - 3) In case of a motor vehicle accident:
    - a copy of the protocol on the traffic accident and the scheme of the accident, copies of the inspection of the scene, the court decision on an administrative offense, the conclusion of a medical examination to establish the fact of the use of a psychoactive substance and the state of intoxication of participants in the traffic accident, other documents drawn up by the bodies of the administrative police committee and law enforcement agencies (investigation, court, etc.) investigating, classifying and accounting for events considered as an insured event, or confirming the occurrence of an insured event;
  - 4) in other cases:
    - the certificate of inspection of the representative of the insurance company, the conclusion of a medical examination to establish the fact of the use of a psychoactive substance and a state of intoxication;
  - 5) in case of unlawful actions of third parties and in case of theft (theft) of the car:
    - a copy of the protocol of the inspection of the scene of the incident and the resolution on the initiation of pre-trial proceedings, a copy of the resolution on the suspension of proceedings, a copy of the resolution on the involvement as an accused (when identifying the person who committed illegal actions), other documents drawn up by specially authorized bodies (commissions) investigating, classifying and accounting for events considered as insured events, or confirming the occurrence of an insured event, the original certificate of registration of a vehicle, complete sets of original keys of stolen (stolen) motor transport, complete sets of control panels, keychains, cards, active and passive activators of all electronic and electronic-mechanical anti-theft systems, all keys to mechanical anti-theft devices, which are equipped with insured motor transport;
  - 6) in case of damage to motor transport as a result of illegal actions of third parties:
    - certificate of inspection of the representative of the insurance company;
  - 7) in case of natural disasters:
    - acts, conclusions, other documents drawn up by the territorial divisions of the hydrometeorological service, state commissions, competent authorities investigating, classifying and accounting for events considered as insured events, or confirming the occurrence of an insured event, an inspection report of an insurance company representative
  - 8) in case of other unforeseen events:
    - conclusion of a medical examination to establish the fact of the use of a psychoactive substance and a state of intoxication.
  - 9) Conclusions of independent expert (evaluation) organizations and other documents confirming the amount of damage caused.

- 13.3. The policyholder (insured, beneficiary) has the right to submit other evidence confirming the interest in the preservation of motor transport, the occurrence of an insured event and the amount of losses caused.
- 13.4. The fact that the Insurer has received a statement on the occurrence of an event that has the signs of an insured event and the relevant documents is confirmed by a receipt from an authorized employee or a representative of the insurer
- 13.5. In order to obtain more complete information about the event that occurred, the Insurer has the right to request information from competent authorities (internal affairs bodies, fire supervision, emergency technical services, emergency services of the gas network), enterprises, institutions and organizations that have information about the circumstances of the event, as well as independently find out the causes and circumstances of its occurrence.
- 13.6. If necessary, work on determining the causes of the event and the amount of the loss on behalf of the Insurer can be performed by independent experts, appraisers, representatives of the insurance company. The policyholder has the right to independently use independent experts, appraisers, representatives of the insurance company after the occurrence of an insured event.
- 13.7. The insurance contract may provide for a different list of documents required for the insurance payment.
- 13.8. if necessary, the Insurer has the right to shorten the list of documents listed in paragraph 13.2. of these Rules or to require the provision of other documents if it is possible/impossible to judge the amount and extent of damage from the circumstances of the occurrence of the insured event or additional information related to the insured event is required.

**14. PROCEDURE AND CONDITIONS OF EXECUTING INSURANCE PAYMENT. DEADLINE FOR NOTIFYING THE POLICYHOLDER OR THE INSURED OF THE MISSING DOCUMENTS REQUIRED FOR THE INSURANCE PAYMENT**

- 14.1. After receiving a written statement from the Policyholder about the occurrence of an event that has signs of an insured event, as well as after providing all the documents required for insurance payment regulated by paragraph 13.2 of these Rules, the Insurer performs the following actions:
  - 14.1.1. establishes the fact of the occurrence of an event that has the signs of an insured event; verifies the compliance of the information provided in the Policyholder's application; verifies the interest of the Policyholder (Insured, Beneficiary) in the preservation of the insured motor transport (property); determines the fact and causes of the event that caused the damage; determines the need to involve experts;
  - 14.1.2. when an event is recognized as an insured event, it determines the amount of the insurance payment, draws up an act on the insured event containing the amount of damage.
- 14.2. The Insurance payment is carried out by the Insurer on the basis of the documents provided by the Policyholder (Insured, Beneficiary) specified in Article 13 of these Rules, as well as the act on the insured event drawn up by the Insurer.
- 14.3. The Insurance payment is made by the Insurer to the Beneficiary within the limits of the insured amount. The insurance payment may not exceed the amount of the actual damage suffered by the Policyholder (Insured) as a result of the occurrence of an insured event.
- 14.4. The insurance payment is made for each insured object, taking into account the deductible (conditional, unconditional) defined by the Insurance Contract and the insured amount in the following order:
  - 14.4.1. if the insurance amount is determined in the Insurance Contract in the amount of the actual value of the insured motor transport (property), the insurance payment is made in the amount of real damage, but within the insured amount, taking into account paragraphs 14.4.3 - 14.4.6 of this article;
  - 14.4.2. if in the Insurance Contract the sum insured at the time of conclusion of the Insurance Contract is determined below the actual value of the insured motor transport (property), the amount of the insurance benefit is determined in proportion to the ratio of the sum insured to the actual value of motor transport (property), but within the insured amount, taking into account paragraphs 14.4.3

- 14.4.6 of this Article. The amount of the insurance payment (IP) in this case is determined by the formula:  $IP = D \times S / IV$ , where: Y is the amount of real damage; S is the sum insured; IV is the insured value of motor transport (property);
- 14.4.3. if the amount of the insurance payment specified in paragraphs 14.4.1 or 14.4.2 of this Article does not exceed the amount of the deductible established by the Insurance Contract, the insurance payment is not carried out;
- 14.4.4. if the amount of the insurance benefit specified in paragraphs 14.4.1 or 14.4.2 of this Article exceeds the amount of the unconditional deductible, the insurance benefit is carried out minus the amount of the unconditional deductible established by the Insurance Contract;
- 14.4.5. if the deductible is not established in the insurance contract, the insurance payment is made in accordance with paragraphs 14.4.1 and 14.4.2 of this article.
- 14.5. If the Policyholder (Insured or Beneficiary) has received compensation from the person responsible for the damage caused, the Insurer shall make an insurance payment in the amount of the difference between the amount of the actual damage caused and the compensation received from the specified person, provided that the amount of the insurance payment calculated in accordance with this Article does not exceed the amount of the insurance payment calculated in accordance with paragraph 14.4 of these Rules.
- 14.6. If the amount of the insurance benefit calculated in accordance with paragraph 14.5 of these Rules exceeds the amount of the insurance benefit calculated in accordance with paragraph 14.4 of these Rules, the insurance benefit is carried out in the amount calculated in accordance with paragraph 14.4 of these Rules.
- 14.7. If, after making the insurance payment, the Policyholder (Insured or Beneficiary) has received compensation from the person responsible for the damage caused, he is entitled only to a part of the insurance payment calculated in accordance with paragraphs 14.4 - 14.6 of these Rules, in connection with which the Insurer has the right to demand a refund of the overpaid amount of the insurance payment, and the Policyholder (Insured, Beneficiary), who received compensation from the person responsible for the damage caused, is obliged to refund to the Insurer the overpaid amount.
- 14.8. The amount of real damage is determined by:
- a) in case of complete destruction, destruction, theft (theft) of motor transport (property) - in the amount of the insured value of motor transport (property) under the Insurance Contract, minus the available balances suitable for use and sale, taking into account wear and tear for the period of validity of the Insurance Contract. The complete destruction (destruction) of motor transport (property) is considered to be such a damaged condition of motor transport (property) when the costs of its repair (restoration), taking into account wear, exceed 80% of the actual cost of motor transport (property). The damaged state is determined for each object separately;
- b) in case of partial damage - in the amount of the costs of its repair or restoration, or in the amount of the corresponding part of the cost, if motor transport (property) will not be repaired (restored). The costs of repair (restoration) take into account the costs of purchasing materials and spare parts for repairs, as well as for the payment of repair work. The residual value of the individual parts (parts, assemblies, aggregates) replaced during the repair process is deducted from the repair (restoration) costs.
- 14.9. Repair and restoration expenses include expenses for repair materials, expenses for repair work and other expenses necessary to restore the insured motor transport (property) to the condition in which it was immediately before the occurrence of the insured event. If the damaged parts (parts, assemblies, aggregates) are replaced, despite the fact that their repair was possible without endangering the safety of the insured motor transport (property), the Insurer reimburses the Policyholder (Insured, Beneficiary) the cost of repairing these parts, but not higher than the cost of replacing them. Deductions are made from the amount of repair and restoration expenses for the wear of parts (parts, assemblies, aggregates) replaced during the repair process.
- 14.10. By agreement between the Insurer and the Policyholder (insured, beneficiary), repair and restoration costs can be determined on the basis of:



- 14.10.1. calculations of the Insurer, or
- 14.10.2. conclusions of a representative of an insurance company (surveyor) or an independent expert (appraiser), or
- 14.10.3. in the amount of the actual expenses incurred for repair and restoration work of damaged motor transport at a service station (service station) on the basis of paid invoices, estimates, invoices and other documents submitted by the Policyholder (Insured, Beneficiary).
- 14.11. The specific method of determining the amount of losses caused to motor transport (property) is determined by the Insurance Contract.
- 14.12. When compiling the calculation, the average current market prices for parts and works are used.
- 14.13. In case of disputes between the parties about the causes and amount of losses, each of the parties has the right to request an expert examination. The examination is carried out at the expense of the party that requested it. If the results of the examination establish that the refusal of the Insurer in part of the insurance payment was not justified, the Insurer assumes a share of the costs of the examination corresponding to the ratio of the amount that was initially refused and the amount of the insurance payment paid after the examination.
- 14.14. The insurance contract may provide for the insurance payment without deducting the available balances that are suitable for use and sale. In this case, the Policyholder (Insured, Beneficiary) is obliged to transfer to the Insurer the ownership of the available balances suitable for use and sale.
- 14.15. If the Insurance Contract determines that in case of reimbursement by the Insurer of the costs of purchasing new materials and spare parts (parts, assemblies, aggregates) in full, without deducting the residual value of the individual parts (parts, assemblies, aggregates) replaced during repair, the Policyholder (Insured, Beneficiary) is obliged to transfer to the Insurer the ownership of the individual parts (parts, assemblies, aggregates) replaced during repair.
- 14.16. The Insurer reimburses the costs associated with the elimination of hidden damages and defects caused by the insured event, identified during the repair of motor transport and documented.
- 14.17. If hidden defects resulting from an insured event are found during the repair of damaged motor transport, the Policyholder (Insured, Beneficiary) is obliged to suspend repair work until these defects are eliminated, notify the Insurer of the discovery of hidden defects, agree on the place, date and time of the inspection of motor transport by the Insurer's representative and send the Insurer a written application for additional insurance payment.
- 14.18. If, as a result of an inspection of motor transport by a representative of the insurer or an expert, it is established that the detected hidden defects arose as a result of the occurrence of an insured event, the Insurer determines the amount of loss caused by hidden defects and makes an additional insurance payment in accordance with the procedure determined by these rules.
- 14.19. Failure by the Policyholder to fulfill the obligations set forth in paragraph 14.17 of these rules gives the Insurer the right to refuse the Policyholder an additional insurance payment.
- 14.20. Additional costs caused by the urgency of work, improvement or change of the previous condition of motor transport (property) and others not caused by this insured event are not included in the amount of real damage, and are not covered by insurance.
- 14.21. When determining the amount of real damage, they are not taken into account and are not covered by insurance:
  - 14.21.1. expenses for technical and warranty maintenance of motor transport;
  - 14.21.2. works related to the reconstruction and re-equipment of motor transport, repair or replacement of its individual parts, parts and assemblies due to their deterioration, technical defects and for other reasons not related to the insured event;
  - 14.21.3. the cost of repair or replacement of parts (parts) of motor transport (property), the damage of which is not caused by an insured event;
  - 14.21.4. the cost of missing parts (parts, aggregates), the absence of which is not directly related to the insured event in question;
  - 14.21.5. transportation costs of motor transport;
  - 14.21.6. the costs of repairing damaged parts (parts) of motor transport that are not listed as damaged in the documents of the competent authorities, with the exception of hidden defects;

- 14.21.7. replacement (instead of repair) of assemblies, assemblies of motor transport in the assembly due to the absence of the service station that repairs damaged motor transport, the necessary spare parts and parts;
- 14.21.8. expenses related to the application of excess tariffs, rates and coefficients;
- 14.21.9. other expenses leading to an increase in the value of the insured motor transport (property).
- 14.22. The Policyholder (Insured or Beneficiary), upon receipt of the insurance payment in case of theft or theft of motor transport (property), is obliged to conclude an agreement with the Insurer, in accordance with which:
- a) in case of detection of stolen motor transport (property), the owner of motor transport (property) undertakes to arrange the transfer of ownership of the discovered motor transport (property) in favor of the Insurer. At the same time, the parties to the contract bear equally the costs associated with the registration of the transfer of ownership in favor of the Insurer;
  - b) in case of non-fulfillment by the owner of the obligation specified in subparagraph (a) of this paragraph, or by agreement of the parties, the Policyholder (insured or beneficiary) is obliged to return to the Insurer within 10 days from the date of detection of motor transport (property), the insurance payment received and reimburse the costs associated with the maintenance of the detected motor transport (if it was maintained by the Insurer before the transfer to the owner), minus the cost of lost units, parts, systems, assemblies, devices and structural elements of motor transport (property), as well as the costs associated with the theft of repair or bringing of motor transport (property) in condition at the time of the insured event.
- 14.23. Conclusion of the contract in accordance with paragraph 14.22 of these Rules is a prerequisite for insurance payment in case of theft of motor transport (property).
- 14.24. By agreement of the parties, in the event of the death of motor transport, the Insurer, instead of the insurance payment, can compensate for losses in kind, i.e. provide a similar motor transport in return for the lost motor transport. Motor transport of the same brand, model and year of manufacture is considered to be similar, to have a condition similar to the replaced motor transport (resource of engines and mechanisms, other operational and technical characteristics).
- 14.25. The Policyholder does not have the right to unilaterally abandon emergency motor transport in favor of the Insurer. The decommissioned motor transport or its aggregates remain in the ownership of the Policyholder and the insurance benefit is reduced by an amount equivalent to the cost of this decommissioned motor transport or its aggregates.
- 14.26. Expenses incurred by the Policyholder (insured) in order to prevent or reduce losses are subject to compensation by the Insurer if such expenses were necessary or were incurred to comply with the instructions of the Insurer, even if the relevant measures were unsuccessful. Such expenses are reimbursed in actual amounts, however, so that the total amount of insurance payment and compensation for expenses does not exceed the insured amount (the maximum amount of liability) provided for in the Insurance Contract. If the expenses have arisen as a result of the Policyholder (Insured) fulfilling the instructions of the Insurer, they are reimbursed in full, regardless of the insured amount.
- 14.27. The Insurer is exempt from making insurance payments in respect of those losses that arose due to the fact that the Policyholder (Insured) intentionally did not take reasonable and affordable measures to reduce possible losses.
- 14.28. The insurance payment is not carried out if the Policyholder (Insured or Beneficiary) has not submitted the documents specified in Article 13 of these Rules, or has provided knowingly false information regarding the circumstances of the occurrence of damage and its amount, or a contract has not been concluded in accordance with paragraph 14.22 of these Rules.
- 14.29. The insurance contract under which the insurance payment is made remains valid until the end of its validity period in the amount of the insured amount equal to the difference between the insured amount stipulated by the Insurance Contract and the amount of the insurance payment made.
- 14.30. After the insurance payment is made, the Policyholder has the right to restore the insured amount under the Insurance Contract by concluding an additional agreement on the terms of these rules

for the remaining insurance period with the payment of an additional insurance premium calculated according to the following formula (for insurance contracts concluded for a year):  $Pad. = IP \times IR \times (N/12)$ , where: Pad.- additional insurance premium; IP - the amount of the insurance payment paid; IR - the insurance rate established in the insurance contract; N - the number of full months remaining until the end of the insurance contract.

14.31. If there are insufficient documents confirming the occurrence of an insured event and the amount of damage to be reimbursed by the Insurer, within 3 (three) working days from the date of their receipt, inform the applicant about it, indicating the full list of missing and (or) incorrectly executed documents;

## **15. DEADLINE FOR MAKING A DECISION ON INSURANCE PAYMENT OR REFUSAL OF INSURANCE PAYMENT**

15.1. The insurer, after receiving all the necessary documents to make a decision on the insurance payment, within 15 (fifteen) working days, decides on the insurance payment or on the refusal of the insurance payment. If the Insurer decides to refuse the insurance payment, it justifiably motivates the reason for the refusal in writing.

15.2. The Insurer makes an insurance payment to the Policyholder (Beneficiary) within 10 (ten) working days after the decision on the insurance payment is made.

15.3. The Insurer's refusal to make an insurance payment may be appealed by the Policyholder (Insured or Beneficiary) to the court.

15.4. If pre-trial proceedings are initiated against the Policyholder (Insured / Beneficiary) or his family members and the investigation of the circumstances that led to the occurrence of the loss, or the competent authorities have materials that suggest the existence of grounds for refusing the insurance payout, the Insurer has the right to postpone the decision on the insurance payment until the end of the investigation or court proceedings, notifying the Policyholder (Insured, Beneficiary) in writing about the reasons for the delay.

15.5. The insurer has the right to postpone the decision on the insurance payment if he has reasonable doubts about the authenticity of documents (copies of documents not stamped, stamps, corrections in the documents), confirming the insured event or the amount of losses, while notifying the Insured about the delay in writing, until the authenticity of such documents is confirmed.

## **16. CONSEQUENCES OF AN INCREASE IN INSURANCE RISK DURING THE VALIDITY PERIOD OF THE INSURANCE CONTRACT**

16.1. During the period of validity of the Insurance Contract, the Policyholder (Insured) is obliged to immediately inform the Insurer in writing about significant changes in the circumstances that have become known to him, reported to the Insurer at the conclusion of the Insurance Contract, if these changes may significantly affect the increase in insurance risk.

16.2. In any case, the following changes and circumstances are recognized as significant:

- 1) use of motor transport outside the insurance territory;
- 2) transfer of motor transport for rent, leasing, rental, pledge or other encumbrance, significant changes in the nature of the use of motor transport, de-registration, re-registration in the bodies of the administrative police committee;
- 3) sale or replacement of motor transport with another, body/engine change, installation of additional equipment;
- 4) a significant change in the nature and purpose of the use and storage of motor transport;
- 5) loss, theft or replacement of registration documents for insured motor transport, keys to motor transport, alarm control panel, registration (state) numbers (signs);
- 6) the issuance of a power of attorney or the granting of rights to the disposal (management) of motor transport to a person not specified in the contract;
- 7) the presence of double insurance.

The insurance contract may also stipulate other significant changes affecting the increase in the degree of risk.

- 16.3. The Insurer, notified of the circumstances entailing an increase in the insurance risk, has the right to demand changes in the terms of the Insurance Contract and payment of an additional insurance premium commensurate with the increase in the insurance risk.
- 16.4. If the Policyholder objects to changing the terms of the Insurance Contract or additional payment of the Insurance premium, the Insurer has the right to demand termination of the Insurance Contract in accordance with the legislation of the Republic of Kazakhstan. In this case, the procedure for returning the insurance premium to the Policyholder is established by the Insurance Contract.
- 16.5. If the Policyholder fails to fulfill the obligation provided for in paragraph 16.1 of these rules, the Insurer has the right to demand the termination of the Insurance Contract and compensation for losses caused by its termination, or, upon the occurrence of an insured event, to reduce the amount of the insurance payment in proportion to the increase in the insurance risk, or to refuse the insurance payment.
- 16.6. The Insurer has no right to demand termination of the Insurance Contract if the circumstances entailing an increase in the insurance risk have already disappeared.

## **17. DOUBLE INSURANCE**

- 17.1. Double insurance - insurance of the same object with several insurers under separate contracts with each insurer.
- 17.2. In the case of double insurance, the Insurer bears to the Policyholder (Beneficiary) property liability within the limits of the insurance contract concluded with him, but the total amount of insurance payments received by the Beneficiary from all insurers cannot exceed the real damage.
- 17.3. In the case of double insurance, after the occurrence of an insured event, the Policyholder shall be obliged to provide the Insurer with all information relating to the settlement of the issue of insurance benefits in other insurance companies, including information about the amount of insurance benefits received from other insurance companies.
- 17.4. In case of double insurance, the Insurer has the right to find out the causes and circumstances of an event that has signs of an insured event, to determine the amount of losses caused as a result of an insured event, together with other insurance companies.

## **18. SUBROGATION**

- 18.1. To the Insurer who has made the insurance payment, the right of claim that the Policyholder (Insured) has against the person responsible for the losses compensated as a result of insurance passes within the amount paid.
- 18.2. The Policyholder (Insured) is obliged, upon receipt of the insurance payment, to transfer to the Insurer all the documents and evidence available to him (a receipt for insurance compensation, a copy of the insurance contract, a copy of the identity card, a copy of the driver's license, a copy of the taxpayer's registration number, etc.), and to inform him of all the information necessary for the Insurer to exercise the right of claim transferred to him.
- 18.3. If the Policyholder (Insured) has waived his right to claim against the person responsible for the losses compensated by the Insurer, or the exercise of this right has become impossible due to the fault of the Policyholder (Insured), the Insurer is released from the insurance payment in full or in the appropriate part and has the right to demand the refund of the overpaid amount.
- 18.4. The insurance contract may provide for a different subrogation procedure.

## **19. TERMS OF TERMINATION OF THE INSURANCE CONTRACT**

- 19.1. The insurance contract terminates in the following cases:
  - 1) expiration of the contract;
  - 2) early termination of the contract;
  - 3) to make the insurance payment in the amount of the full sum insured, taking into account the application of the condition on the deductible;

- 19.2. The parties have the right to early termination of the Insurance Contract, the parties must notify each other in writing not less than 30 calendar days before the proposed date of termination of the Insurance Contract.
- 19.3. In addition to the general grounds for termination of obligations stipulated by the legislation of the Republic of Kazakhstan, the insurance contract shall be terminated prematurely in cases:
- 1) when the insurance object ceased to exist;
  - 2) when the possibility of an insured event has disappeared and the existence of the insured risk has ceased due to circumstances other than the insured event;
  - 3) the entry into force of the court decision on the compulsory liquidation of the Insurer, except for the cases provided for by the Law of the Republic of Kazakhstan "On Insurance Activity".
- In these cases, the Contract is considered terminated from the moment of occurrence of the circumstance provided as the basis for termination of the contract, about which the interested party must immediately notify the other party.
- 19.4. In case of early termination of the contract on the grounds specified in paragraph 1) - paragraph 4) of paragraph 19.3. of these rules, the Insurer has the right to withhold part of the paid insurance premium for the expired period of the contract, calculated in proportion to the time during which the insurance cover was in effect, minus general administrative expenses in the amount of 35 (thirty-five) percent of the total insurance premium, as well as minus the insurance payments made in respect of the insured object of insurance.
- 19.5. In case of refusal of the Policyholder from the contract, if it is not related to the circumstances specified in paragraph 1 - paragraph 4) paragraph 19.3. These rules, the insurance premium paid to the Insurer is non-refundable.
- 19.6. If the Insurance Contract is declared invalid by the court, the Insurer is obliged to return to the Policyholder the insurance premium or insurance premiums received from him, and the Policyholder (Beneficiary) is obliged to return to the Insurer the insurance payment received from him.
- 19.7. If the contract is declared invalid on the grounds that arose as a result of unlawful actions of the Policyholder, which the Insurer did not know about at the time of conclusion of the contract, as well as during its execution, and should not have known, the Insurer returns to the Policyholder the insurance premium or insurance premiums for the expired term of the contract, minus the costs incurred, and if the insurance payment was made, has the right to demand a refund of the amount paid.
- 19.8. The Policyholder has the right to cancel the Insurance Contract at any time.
- 19.9. In cases when the early termination of the Insurance Contract is caused by non-fulfillment of its terms due to the fault of the Insurer, the latter is obliged to return to the Policyholder the insurance premium paid by him or the insurance premiums in full.

## **20. SETTLEMENT OF DISPUTES**

- 20.1. Disputes under the Insurance Contract arising between the Insurer and the Policyholder (Beneficiary) are considered directly by the parties through negotiations.
- 20.2. If no agreement is reached between the parties, the dispute is resolved in the judicial order of the Republic of Kazakhstan.

## **21. ADDITIONAL CONDITIONS**

- 21.1. By agreement between the Policyholder and the Insurer, Insurance Contracts may be concluded on the basis of the Rules, providing for additional conditions determined at the conclusion of the Insurance Contract.
- 21.2. CO-INSURER - a person or a legal entity who is not a client (policyholder, insured person) of the Insurer.

### **The list of registration of changes and (or) additions**

No.	Date of approval	Effective date	The decision to make changes and (or) additions		Note
			№	description	
1	2	3	4	5	6







