



“DIRA PLUS”

**Policy for the insurance
of an apartment and its contents**

2021 Version

In the event of any discrepancies between the Hebrew original and this translation, the Hebrew original shall take precedence.

המהדורה הקובעת הינה המהדורה שכתובה בשפה העברית

"DIRA PLUS"

Policy for the insurance of an apartment and its contents

(2021 Version)

This Policy is a contract made between Hachshara Insurance Company Ltd (hereinafter: the **"Insurer"**) and the Insured whose name is as stated in the Policy Schedule (hereinafter: the **"Insured"**) according to which the Insured agrees to pay to the Insured insurance benefits in consequence of insured events that occurred during the insurance term, within the liability limits of the insurance and in return to the payment of insurance premiums.

The insurance premiums, the insurance term and the sums insured are as stated in the Policy Schedule, forming an integral part of this Policy.

In this Policy -

"Condominium"

A house registered as a condominium in the land registers and a house that is not registered as said, provided that the said house include at least two apartments.

"Family Members"

The spouse, children, parents, or other relatives of the Insured who dwell with him permanently in the Apartment.

"Apartment"

The structure of the Apartment or the house as stated in the Policy Schedule and whose primary use is for residential purposes, including balconies, piping (including gas pipes), sewage and plumbing installations, heating installations, air-conditioning systems, sun-heated water tanks, water heating solar systems, telephone and electricity installations that are part of the Apartment, gates, fences and paved road that are part of the Apartment and all fixtures and attachments in the Apartment; if the Apartment is in a condominium - also the part of the Insured in the common property of the condominium and special attachments that the Apartment has (including a storage room).

"Unoccupied Apartment"

An Apartment that is vacant for more than 60 consecutive days or an Apartment in which no one resides regularly for more than 60 consecutive days;

"Household Worker"

A worker under the direct service of the Insured who dwells with the Insured in the insured Apartment.

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Chapter A

Apartment insurance

1. The insured event

The insured event is loss or damage caused to the Apartment during the insurance term as a result of one or more of the following risks:

- 1.1. Fire, lighting, thunder, and smoke that is an extraordinary and irregular phenomenon;
- 1.2. Explosion or kindling;
- 1.3. A wind in a velocity exceeding 30 knots, including rain that falls at the time, snow or hail, and except for the leak of rainwater through the walls or the ceiling or the absorption of rainwater therein.
- 1.4. The fall of an aircraft, fall of objects from an aircraft, supersonic vibrations caused by an aircraft.
- 1.5. Contact or collision of a vehicle in the Apartment.
- 1.6. Malicious acts, except for:
 - 1.6.1. Malicious acts that were committed in an Unoccupied Apartment,
 - 1.6.2. Malicious acts that were committed by the Insured or his family members or with their approval;
 - 1.6.3. Malicious acts that were committed by persons residing in the Apartment with the permission of the Insured or with his consent;
- 1.7. Theft, robbery, break-in or any attempt of commit such actions, except for when the Apartment is not occupied;

The Insured is entitled, during the stage of the insurance proposal, by delivery of an express notice that the Insured will document and that will be incorporated in the Policy Schedule, to waive the coverage provided under this paragraph (paragraph 1.7).
- 1.8. Prohibited gathering and disorderly conduct;
- 1.9. An earthquake, including a tsunami that was created as a result of an earthquake, provided that the Insured did not waive coverage against this earthquake in the manner prescribed in Regulation 5A of the Control of Insurance Business Regulations (Terms of Contract for the Insurance of Apartments and their Contents), 5746-1986 (hereinafter: the "Regulations").

With regard to the deductible in damage as a result of this risk, earthquakes that occurred for a period of 72 consecutive hours after the occurrence of the first earthquake shall be deemed as one event.
- 1.10. Flooding or inundation from an external source of water.

2. Uncovered risks

This chapter does not provide coverage for damage or loss caused as a result of one or more of the following:

- 2.1. A war, hostilities, terrorist attacks;
- 2.2. A civil war, a revolt, a military or civil uprising, a revolution;
- 2.3. Non-ionizing radiation, radioactive pollution, nuclear processes, nuclear substance, or nuclear waste;
- 2.4. Seizure, expropriation, confiscation, destruction, or demolition of property by the government, the military, a municipality or a person acting in accordance with the law.

3. Calculation of insurance benefits

- 3.1. The insurance benefits due to the Insured in accordance with this chapter shall be calculated and paid based on the value of the loss or damage to the Apartment however in an amount that will not exceed the sum insured as stated in the Policy Schedule as the sum insured for the Apartment, and all subject to the provisions set forth in section 2 in Chapter L (General Terms and Conditions) hereunder.
- 3.2. Insurance benefits shall be calculated in a manner that will restore the Insured, to the extent possible, to the state the Insured was in but for the occurrence of the insured event.
- 3.3. The insurance benefits paid in accordance with this Chapter shall include also the following, subject to the provisions of sub-section (3.1):
 - 3.3.1. Expenses for services that were provided by architects, loss adjusters, building consultants, engineers and contractors, and legal expenses that were paid for the repair, renovation or reconstruction of the Apartment or any part thereof, on the condition that a prior notice was delivered to the Insurer.
 - 3.3.2. Expenses made for the purpose of disposing rubble, cleaning the Apartment, whitewashing the Apartment and reconnecting the Apartment to the electricity, telephone, water, gas and sewage systems.
 - 3.3.3. Insurance benefits for loss of income from rent of the Apartment or rent expenses for residential purposes for the Insured and his family members, as long as the Apartment is uninhabitable according to a decision made by a licensed engineer, within its meaning in the Engineers and Architects Law 5718-1958 (hereinafter: "Engineers and Architects Law"). Insurance benefits paid under this paragraph shall be calculated according to customary rent for an Apartment similar to the insured Apartment under this Policy, for a maximum period of 12 months as of the commencement of the insured event or a maximum amount that shall not exceed 15% of the sum insured of the Apartment, upon the lower, even if the total insurance benefits exceed the sum insured for the Apartment. Any payment made in respect of rent under this paragraph is conditional on reasonable proof that the rent for a substitute Apartment was indeed paid.

4. No applicability of underinsurance

Section 60 of the Insurance Contract Law 5741-1981 (hereinafter: "Insurance Contract Law") shall not apply to this chapter.

5. Water risks and other fluids

5.1. This extension shall apply only if stated in the Policy Schedule.

5.2. If an extension of risks of water and other fluids was added to the Policy following the request of the Insured and with the approval of the Insurer, the extension shall include loss or damage that were first discovered during the insurance term and that were caused to the Apartment as a result of the escape or leak of water or any other fluid from the plumbing and heating facilities in the Apartment or any other property in the condominium, including splitting, clogging or overflow of boilers and pipeline however excluding the cost of water, wear, corrosion and rust caused to boilers, pipeline and plumbing facilities themselves;

5.3. With regard to damage stemming from another property in the condominium, the scope of coverage is limited to one insured event during the insurance term.

5.4. This extension shall not apply when the Apartment is an Unoccupied Apartment; "Unoccupied Apartment" for the purpose of this matter - an Apartment that is vacant for more than 60 consecutive days or an Apartment in which no one resided regularly for more than 60 consecutive days.

Chapter A'1

Insurance for an additional amount in a condominium

This chapter shall apply only if stated in the Policy Schedule.

1. The insured event

The insured event is damage caused to the Apartment in a condominium, that is owned or that is under a long-term lease of the Insured, in consequence of an earthquake risk as stated in section 1 (1.9) at a rate that is not smaller than 70% of the sum insured for the Apartment, as stated in the Policy Schedule, and based on the decision of a real estate appraiser, as defined in the Land Appraisers Law, 5761-2001, or a licensed engineer, as meant by this term in the Engineers and Architects Law, as the case may be, or if, following the damage that was caused, a demolition order was issued to the condominium.

2. Calculation of insurance benefits

- 2.1. After the occurrence of the insured event, the insurance benefits that will be due to the Insured under this chapter will be calculated and paid in accordance with the additional sum insured as stated in the Policy Schedule, and all subject to the provisions set forth in section 2 of Chapter K (General Terms and Conditions).
- 2.2. The additional sum insured shall be at a rate of at least 100% of the Apartment sum insured as stated in the Policy Schedule.

3. Non-applicability of underinsurance

Section 60 of the Insurance Contract Law shall not apply to this chapter.

Chapter A'2

Extensions for Chapter A

The extensions under this chapter shall apply only if stated in the Policy Schedule.

1. Accidental breakdown of glass, mirrors, toilet bowls, sinks, marble surfaces

1.1. The insured event

The Insurer shall indemnify the Insured for an accidental, abrupt, and unforeseeable event that caused a breakdown to permanent, interior and/or external glasses that form part of the structure of the Apartment and to mirrors, toilet bowls, sinks and marble surfaces.

“Breakdown” for the purpose of this section shall mean only a breakdown that passes through the entire thickness of the glass, mirror, toilet bowl, sink and marble surface, and sanitary fixtures. Any other type of damage, including spoilage other than “breakdown” is not covered under this extension.

1.2. Limitations to the liability of the Insurer

The Insurer shall not indemnify the Insured under this extension for the following:

- 1.2.1. A malicious act that was committed by the Insured or his family members or his household members or with their approval.
- 1.2.2. Damage to frames or settings of any kind.
- 1.2.3. Cracked or defective items.
- 1.2.4. Moving or replacement expenses of frame or other structural parts.

1.3. Liability limits

The liability of the Insurer under this extension is limited to up to 1% of the sum insured for the structure with respect to one item, and up to 5% of the structure insurance for the insurance term.

2. Gardens and vegetation insurance

2.1. The insured event

Loss or damage caused as a result of fire, lighting, and explosion risks only to the following items:

- 2.1.1. Plants, lawns, trees, shrubbery;
- 2.1.2. Irrigation systems that are part of the Apartment, a storage room not attached to the Apartment, a swimming pool not attached to the Apartment, pergolas, awnings, cooling and shading items situated in the premises of the Apartment.

2.2. Liability limits

2.2.1. The liability of the Insurer in respect of section 2.1.1 above shall not exceed 0.5% of the sum insured for Chapter A.

2.2.2. The liability limits of the Insurer in respect of section 2.1.2 above shall not exceed 10% of the sum insured for Chapter A.

3. Water risks insurance in consequence of splitting of swimming pool pipes

3.1. If an extension for the coverage of water risks and other fluids was added to the Policy, as stated in section 5 in Chapter A, the Policy shall also provide coverage for accidental splitting of above-ground and/or underground and/or interior piping (in the walls of the swimming pool) of a swimming pool system that is not part of the structure of the insured Apartment, that is not part of the plumbing fixtures of the Apartment and that is not permanently connected to the Apartment, on the condition that the repair of the piping damage shall be performed directly by the Insurer and not by a service provider.

3.2. The deductible of the Insured in respect of this extension shall be determined based on the sums or the rates as stated in the Policy Schedule.

3.3. Coverage under this extension is stipulated on the condition that the value of the swimming pool and its facilities is included in the sum insured of the structure chapter in the Policy (Chapter A).

4. Insurance to electric water heaters and sun-heated water tanks

If an extension was added to the Policy for the coverage of water risks and other fluids, the Insured shall be entitled to purchase, in addition to the said, coverage for damage to electric water heaters, sun-heated water tanks and solar thermal collectors (hereinafter: "Boilers") as follows:

4.1. The insured event

4.1.1. Loss or damage caused to the Boilers, for any reason, not covered under Chapter A of the Policy, and subject to the following exclusions.

4.1.2. The deductible shall be paid based on the amount as stated in the Policy Schedule.

4.2. Insurance indemnity

4.2.1. The Insurer shall be entitled, at its discretion, to indemnify the Insured by way of repair of the damage by a service provider or by way of monetary compensation.

4.2.2. In the event of loss or damage, the Insurer shall have discretion in the selection of the spare parts or the substitute products that will be installed in the Boilers that were lost or damaged, including the selection of the manufacturer and the installation method, provided that the substitute products have a proper standard mark.

4.3. Exclusions to the liability of the Insurer

This extension shall not cover the following damage:

- 4.3.1. Damage caused as a result of a malicious act;
- 4.3.2. Damage to the piping system to which the Boilers are connected;
- 4.3.3. Damage to the electricity system to which the Boilers are connected;
- 4.3.4. Damage to a Boiler whose volume exceeds 200 liters;
- 4.3.5. Damage to central water heating systems;
- 4.3.6. The cost of water or any other fluid;
- 4.3.7. Any damage caused to the structure of the Apartment;
- 4.3.8. Any damage caused to the contents of the Apartment;
- 4.3.9. Any damage caused to a third party;
- 4.3.10. Any consequential loss;
- 4.3.11. Damage that occurred in an Unoccupied Apartment;
- 4.3.12. Natural disasters, storm and cold;

4.4. Deductible for the extension of this coverage: as stated in the Policy Schedule.

5. Insurance for a domestic photovoltaic facility for the production of electricity (hereinafter: "P.V. Facility")

Coverage is in effect only if stated expressly in the Policy Schedule

- 5.1. In return for the payment of an additional premium as stated in the Policy Schedule and subject to the terms of the coverage as stated hereunder, Chapter 1, structural defects insurance for the Apartment, is extended to include also coverage for accidental breakdown and/or for damage to a domestic P.V. Facility that is installed and that is permanently connected to the roof of the insured building, as a result of one or more of the risks as stated in Chapter 1 of the Policy, except for theft risk (without signs of break-in).

"Breakdown" for the purpose of this extension is covered in such manner that the P.V. Facility cannot supply any energy to the power grid of Israel Electric Corp.

5.1.1. Limitations

The entire limitations of the coverage that apply under Chapter 1 – Apartment insurance, shall also apply to this extension.

Coverage under this extension does not include the following:

- 5.1.2. Coverage for consequential loss.
- 5.1.3. Damage caused as a result of the process for the repair or the renovation of the insured property.

- 5.1.4. Loosening of the anchoring of the facility to the building.
- 5.1.5. Natural vice in the insured property, gradual deterioration, normal depreciation, and wear, defective or inappropriate design, materials, or work.
- 5.1.6. Subsidence of the ground of the structure of the Apartment or the building infrastructures.
- 5.1.7. Corrosion, rust, extreme cold or hot conditions, changes in temperatures, humidity, mold, rodents, pests, or scratches.

Chapter B

Contents Insurance

1. The contents

“Contents” for the purpose of this Policy shall mean - any article and object situated in the Apartment and that are owned, possessed or under the responsibility of the Insured or his family members, **and except for the following:**

- 1.1. Motorized vehicles, caravans, trailers vessels and aircrafts.
- 1.2. Animals.
- 1.3. Securities, bonds, share certificates, loan certificates.
- 1.4. Contracts, documents of indebtedness, sale notes, different certificates, and documents.
- 1.5. Gold, silver, or precious metals, in raw state, diamonds and gemstones that are not part of a piece of jewelry.
- 1.6. Weapons, munitions, and explosives.
- 1.7. Manuscripts, plans, drawings, designs, molds.
- 1.8. Books of account and other business books.
- 1.9. Equipment and inventory used solely for the business, unless otherwise stated in the Schedule.
- 1.10. Checks, travelers’ checks, postal checks, promissory notes and different notes, travel tickets and ship tickets, lottery cards.
- 1.11. Articles or objects situated in the garden, the staircase, on fences or paved roads that are part of the Apartment and on the condition that they do not naturally belong outside the Apartment. Coverage provided under this section for objects or articles that are naturally outside the Apartment shall be limited to 2% of the contents sum insured.

2. Limitation of liability of the Insurer with respect to certain items of contents

Unless the Schedule indicates expressly special sums insured with respect to the items of contents stated hereunder, insurance benefits for loss or damage with respect to each shall be limited as part of the sum insured for contents as follows:

- 2.1. Cash or coupons – up to 0.5% of the contents sum insured.
- 2.2. Silverware – up to 10% of the contents sum insured.
- 2.3. Statues, paintings, artworks, antiquities, and collections of historic, scientific, or artistic value – up to 10% of the contents sum insured.
- 2.4. Carpets – up to 10% of the contents sum insured.
- 2.5. Furs – up to 10% of the contents sum insured.
- 2.6. Stamp collection – up to 5% of the contents sum insured.

- 2.7. Coin collection – up to 5% of the contents sum insured.
- 2.8. Jewelry and gold ware – up to 10% of the contents sum insured.
- 2.9. Wristwatches – up to 10% of the contents sum insured.

The provisions of section 60 of the Insurance Contract Law shall not apply to the amounts of the items as stated in paragraphs 2.1 to 2.9 if they are within the limits set out in each.

3. The insured event

The insured event is loss or damage caused to the contents during the insurance term as a result of one or more of the following risks:

- 3.1. Fire, lighting, thunder, and smoke that is an extraordinary and irregular phenomenon;
- 3.2. Explosion or kindling;
- 3.3. A wind in a velocity exceeding 30 knots, including rain that falls at the time, snow or hail, and except for the leak of rainwater through the walls or the ceiling or the absorption of rainwater therein.
- 3.4. The fall of an aircraft, fall of objects from an aircraft, supersonic vibrations caused by an aircraft.
- 3.5. Contact or collision of a vehicle in the Apartment.
- 3.6. Malicious acts, except for:
 - 3.6.1. Malicious acts that were committed in an Unoccupied Apartment,
 - 3.6.2. Malicious acts that were committed by the Insured or his family members or with their approval;
 - 3.6.3. Malicious acts that were committed by persons dwelling in the Apartment with the permission of the Insured or with his consent;
- 3.7. Theft, robbery, break-in or any attempt of commit such actions, **except for:**
 - 3.7.1. **When the Apartment is not occupied;**
 - 3.7.2. **The contents of a business when the Apartment is not used solely for residential purposes;**
 - 3.7.3. **If committed by one of the family members of the Insured or by a person residing in the Apartment with the permission of the Insured or with his consent;**
 - 3.7.4. **Contents situated in an open balcony on the roof floor or on the ground floor and that is not habitually situated outside the Apartment.**
- 3.8. Prohibited gathering and disorderly conduct;

3.9. An earthquake, including a tsunami that was created as a result of an earthquake, provided that the Insured did not waive coverage against this earthquake in the manner prescribed in Regulation 5A Regulations. With regard to the deductible in damage as a result of this risk, earthquakes that occurred for a period of 72 consecutive hours after the occurrence of the first earthquake shall be deemed as one event.

3.10. Flooding or inundation from an external source of water, **except for a tsunami as stated in paragraph 3.9.**

The Insured may, during the stage of the insurance proposal, and by delivery of an express notice that will be documented by the Insurer and incorporated in the Policy Schedule, waive the coverage provided under paragraph 3.7 or the contents items as stated in sections 2.8 and 2.9 above, in whole or in part.

4. Uncovered risks

This chapter does not provide coverage for damage or loss caused as a result of one or more of the following:

- 4.1. A war, hostilities, terrorist attacks;**
- 4.2. A civil war, a revolt, a military or civil uprising, a revolution;**
- 4.3. Non-ionizing radiation, radioactive pollution, nuclear processes, nuclear substance, or nuclear waste;**
- 4.4. Seizure, expropriation, confiscation, destruction, or demolition of property by the government, the military, a municipality or a person acting in accordance with the law.**

5. Coverage for part of the contents outside the Apartment

- 5.1. Clothes, personal effects and jewelry of the Insured and his family members shall be covered while being outside the Apartment against the risks listed under this chapter, except for theft risk, however not at the time they are in any vehicle, or while being abroad.
- 5.2. Insurance benefits under this chapter are limited to 5% of the sum insured for the contents.

6. Calculation of insurance benefits

- 6.1. The insurance benefits due to the Insured under this chapter shall be calculated and paid based on the value of the loss or damage however no amount exceeding the sum insured for contents insurance shall be paid as stated in the Policy Schedule and all subject to the provisions set forth in section 2 of Chapter L (General Terms and Conditions) hereunder; the insurance benefits for loss or damage to a number of items shall not exceed the amount as stated in the Policy Schedule, if such an amount was set, as the sum insured for the items.
- 6.2. Insurance benefits shall be calculated in a manner that will restore the Insured, to the extent possible, to the state the Insured was but for the occurrence of the insured event.

- 6.3. Insurance benefits shall also include loss or damage to the clothes or the personal effects of the household workers of the Insured at the time they are in the Apartment and for an amount that will not exceed 5% of the sum insured for the contents.

7. Underinsurance

If, at the time of signing the insurance contract, the contents sum insured is lower than the value of the contents by no less than 15%, the liability of the Insurer shall decrease according to the relative rate that is equal to the rate between the sum insured and the value of the contents at the time of signing the contract. Each item that has a separate price as stated in the Policy Schedule is subject to this condition separately. The provisions set forth in this section shall not apply to the liability limits that were set in the policy or in circumstances in which the contents sum insured was set by the Insurer or anyone acting on its behalf.

8. Water and other fluids risks

8.1. This extension shall apply only if stated in the Policy Schedule.

- 8.2. If an extension regarding risks of water and other fluids was added to the Policy following the request of the Insured and with the approval of the Insurer, the extension shall include loss or damage that were first discovered during the insurance term and that were caused to the Apartment as a result of the escape or leak of water or any other fluid from the plumbing and heating facilities in the Apartment or any other property in the condominium, including splitting, clogging or overflow of boilers and pipeline however excluding the cost of water, wear, corrosion and rust caused to boilers, pipeline and plumbing facilities themselves;
- 8.3. With regard to damage stemming from another property in the condominium, the scope of coverage is limited to one insured event during the insurance term.
- 8.4. This extension shall not apply when the Apartment is an Unoccupied Apartment; "Unoccupied Apartment" for the purpose of this matter – an Apartment that is vacant for more than 60 consecutive days or an Apartment in which no one resided regularly for more than 60 consecutive days.

Chapter B'1

Extensions for contents insurance

**The extensions in this Chapter shall apply
only if stated in the Policy Schedule**

1. Accidental breakdown of glass, mirrors, toilet bowls, sinks, marble surfaces

1.1. The insured event

The Insurer shall indemnify the Insured for an accidental, abrupt, and unforeseeable event that caused a breakdown to permanent, interior and/or external glasses that form part of the structure of the Apartment and to mirrors, toilet bowls, sink, baths and all other permanent sanitary fixtures in the Apartment and to the marble surfaces in the kitchen and in the bathrooms and to ceramic and/or glass sinks.

"Breakdown" for the purpose of this section shall mean only a breakdown that passes through the entire thickness of the glass, mirror, toilet bowl, sink and marble surface, and sanitary fixtures. Any other type of damage, including spoilage other than "breakdown" is not covered under this extension.

1.2. Limitations to the liability of the Insurer

The Insurer shall not indemnify the Insured under this extension for the following:

- 1.2.1. A malicious act that was committed by the Insured or his family members or his household members or with their approval.
- 1.2.2. Damage to frames or settings of any kind.
- 1.2.3. Cracked or defective items.
- 1.2.4. Moving or replacement expenses of frames or other structural elements.

1.3. Liability limits

The liability of the Insurer under this extension is limited to up to 1% of the sum insured for the structure with respect to one item, and up to 5% of the contents insurance for the insurance term; if a similar extension was purchased also within the framework of the structural defects chapter (Chapter A) the insurance benefits shall be up to 1% of the structure sum insured, or up to 1% of the contents sum insured with respect to one item, whichever is higher, and up to 5% of the structure sum insured or up to 5% of the contents sum insured, whichever is higher, for the insurance term.

2. Bicycle situated outside the insured Apartment

2.1. The insurance coverage

Loss or damage to a bicycle forming part of the contents of the insured Apartment, even when situated outside the insured Apartment as a result of one or more of the covered risks as stated hereunder.

2.2. The covered risks:

- 2.2.1. An accidental, casual, and unforeseeable event to the bicycle that is used by the Insured or used by the family members of the Insured who habitually reside with the Insured.
- 2.2.2. The theft of the bicycle or any part thereof, provided that the bicycle was locked at the time of the theft. "Locked" for the purpose of this section shall mean tied by a chain and a lock to a massive object anchored to the ground, to a wall etc. or that are issued in a storage room whose openings are closed and secured by locks.

2.3. Limitations to the liabilities of the Insurer

This insurance does not provide coverage to the following:

- 2.3.1. Bicycle with an auxiliary motor of any kind;
- 2.3.2. The use of the bicycle during a race, competition, or lease;
- 2.3.3. Natural wear, depreciation and reasonable wear or any breakdowns.

2.4. Liability limits

The liability of the Insurer under this extension is limited up to the amount of ILS 1,200 unless otherwise stated expressly in the Policy Schedule.

3. Articles of guests

3.1. Insurance coverage

Loss or damage to clothes and personal effects of the guests of the Insured, as a result of the risks as stated in section 3 of Chapter B, to the extent that the said property is not insured in any other manner only at the time they are in the Apartment.

3.2. Liability limits

Insurance benefits under this section are limited up to 5% of the sum insured for the contents.

4. A tenant in unprotected lease

4.1. Insurance coverage

The Insurer shall compensate the Insured for replacement values for damage to the Apartment used by the Insured as a tenant in unprotected lease, that was caused directly by the risks covered under Chapter B, **provided that the Insured did not purchase insurance in accordance with Chapter A of the Policy.**

4.2. Limitations to the liability of the Insurer

Coverage under this extension shall not apply in the following events:

- 4.2.1. Damage caused as a result of an earthquake.
- 4.2.2. Damage caused when the Apartment is not occupied.

4.3. Liability limits

Insurance benefits paid under this section are limited to up to 10% of the sum insured for the contents.

5. Reconstruction of documents

5.1. Notwithstanding the provisions of section 1 in Chapter B, in the event of loss and/or damage to personal certificates or personal documents of the Insured or his family member, as a result of the risks insured under this Chapter, the Insurer shall indemnify the Insured for reasonable and necessary expenses that the Insured paid for the purpose of reconstructing the said documents.

5.2. For the avoidance of doubt, it is clarified that the Insurer shall not indemnify the Insured for the loss of the information and/or any other value of the documents.

5.3. Insurance benefits paid in accordance with this Chapter are limited to up to 2% of the sum insured for the contents.

6. Garden furniture and equipment

6.1. Loss or damage solely as a result of fire, lighting and explosion risks caused to garden furniture and/or equipment that are part of the contents of the Apartment, and loss or damage caused to the contents of a mobile storage room that is situated in the premises of the Insured, up to 10% of the sum insured for the contents.

7. Breakdown in a television set, sound system, video systems and personal computer

7.1. Insured event

Loss or damage to a stationary television set, sound system, video system, personal computer that are part of the contents of the insured Apartment, as a result of an accidental, external, casual and unforeseeable event, and on the condition that the damage occurred at the time they were situated in the insured Apartment.

7.2. Limitations to the liability of the Insurer

This insurance does not provide coverage to the following:

- 7.2.1. Damage caused by or as a result of a mechanical or electrical breakdown or a mechanical or electrical malfunction.
- 7.2.2. Records, tapes, CDs, and drivers of any kind.
- 7.2.3. A stereo system, a record player, an amplifier, a tape recorder, a radio-tape and a personal computer that are movable property or portable.
- 7.2.4. Damage caused as a result of a malicious act committed by the Insured or his family members or his household workers or with their approval.
- 7.2.5. Damage caused within the framework of professional use.

7.3. Replacement value

The insurance benefits for loss or damage under this extension shall be calculated as follows:

- 7.3.1. With respect to devices whose age on the date of occurrence of the insured event is 5 years or less - based on their replacement value. If the Insured selected for the entire contents coverage based on indemnity value - the insurance benefits in such circumstances as said shall be based on the indemnity value.

“Replacement” for the purpose of this matter - replacement with new equipment of the same type and quality of the equipment that was lost or damaged.

- 7.3.2. With regard to devices whose age of the date of occurrence of the insured event is more than 5 years - based on the indemnity value.

8. Insurance to the religious sector

8.1. Insured event

Loss or damage to the insured items as stated hereunder, as a result of an insured event, as defined in section 3 in Chapter B above (contents insurance).

8.2. The covered items

- 8.2.1. **A collection of holy books** - notwithstanding the provisions of section 2 (2.3) in Chapter B regarding the limitation of coverage on collections with historic value up to 10% of the sum insured for the contents, a collection of holy books shall be covered according to its full value however for an amount that will not exceed the sum insured for the contents.

- 8.2.2. **Prayer shawl (“Tallit”), Tefillin, Shtreimel hat, Spodik, hair wigs for women** - notwithstanding the provisions of section 5 in Chapter B regarding limitation of coverage for personal effects of the Insured and his family members while being outside the Apartment, up to 5% of the sum insured for contents, the items as stated in this section shall be covered based on their full value however in an amount that will not exceed 7.5% of the sum insured for the contents or ILS 2,500 per item, whichever is lower.

- 8.2.3. **Ritual articles and silverware** - notwithstanding the provisions of section 2 (2.2) in Chapter B regarding limitation of coverage for silverware up to 10% of the sum insured for contents, the ritual articles and silverware shall be covered based on their full value however in an amount that will not exceed 30% of the sum insured for the contents.

- 8.2.4. **Mezuzah** - notwithstanding the definition of an insured event, the Policy is extended to provide coverage to mezuzah against accidental breakdown. Accidental breakdown for the purpose of this matter shall mean “breakdown in the letters” of the mezuzah parchment that will be detected during a check of the mezuzah, as customary in Jewish law, and that rejects the mezuzah according to Jewish law.

The indemnity paid to the Insured under this section shall be paid for the repair of the mezuzah parchment and/or its replacement, as selected by the Insurer.

9. All-risk for jewelry, valuables, and movable property

9.1. The insured property

The property insured under this extension is one or more of the following items that are owned by the Insured **and/or his family members, and on the condition that these are listed expressly in the Policy Schedule and the Insurer received a detailed assessment by an expert loss adjuster regarding the value of the items or proof confirming the purchase of the item(s) and the purchase amount, and all** prior to the commencement of the insurance term:

- 9.1.1. Jewelry, gold ware and wristwatches;
- 9.1.2. Stamps, coins, and medals collections;
- 9.1.3. Pictures, carpets, and artworks;
- 9.1.4. Furs;
- 9.1.5. Cameras, video cameras, laptop;
- 9.1.6. Musical instruments.

9.2. The insured event

Physical loss or damage for any reason caused to the insured property as stated in section 9.1 above at the time they are situated in the Apartment or casually outside the Apartment, however in the area of the State of Israel, during the insurance term and subject to the following provisions:

- 9.2.1. Notwithstanding the aforesaid, the property insured under section 9.1.3 above (pictures, carpets, and artworks) is covered only when situated in the insured Apartment, unless otherwise stated expressly in the Policy Schedule.
- 9.2.2. Notwithstanding the aforesaid, **and if this is stated in the Policy Schedule**, the property insured under section 9.1.5 (cameras, video recorders and DVD, personal laptop) and section 9.1.6 (musical instruments) will be covered also when it is outside the areas of the State of Israel.
- 9.2.3. Notwithstanding the aforesaid, it is possible that the insured event will also include coverage outside the territories of the State of Israel with respect to the items as stated in section 9.1, **on the condition that this was stated expressly in the Policy Schedule**.

9.3. Extension for jewelry, gold ware and wristwatches

Notwithstanding the aforesaid, if the Insurer did not receive a detailed assessment by an expert appraiser or proof regarding the purchase of the item(s) prior to the occurrence of the insured event, coverage under this Chapter shall be extended to jewelry, gold ware and wristwatches, up to an amount of 10% of the sum insured for the contents insurance for all items, and up to an amount of 1% of the sum insured for the contents insurance for a single item.

9.4. Limitations to the liability of the Insurer

The Insurer shall not be held liable for any loss or damage under this extension that was caused as a result of one or more of the following:

- 9.4.1. Moth, worms, rodents, gradual defacement, humidity, rust or other climatic conditions.
- 9.4.2. Depreciation and wear, except for loss or damage caused to any item as a result of loosening of any clips, clamp, or frame.
- 9.4.3. Cleaning process, repair, renovation, or painting.
- 9.4.4. Internal damage to wristwatches, unless this was caused by a blow that left an external mark.
- 9.4.5. Internal damage to cameras and/or breakdown to camera lenses, unless these were caused as a result of fire, theft, break-in or a blow that left an external mark.
- 9.4.6. Mechanical or electrical breakdown of any kind.
- 9.4.7. Loss or damage to property used by the Insured for the purpose of his business or profession, unless otherwise stated expressly in the Policy Schedule.
- 9.4.8. Loss or damage caused when the insured Apartment is not occupied.
- 9.4.9. Loss or damage to gold, silver or other precious metals in their raw form, and loss or damage to gemstones and precious stones that are not set in a jewel.
- 9.4.10. Damage to strings and damage caused by a scratch, or "injury" or crush or external crush of a musical instrument.
- 9.4.11. Damage covered or that can be covered under Chapter B (comprehensive contents insurance) if the Insured had purchased proper coverage.
- 9.4.12. Loss or damage to property, when the property is in the vehicle of the Insured or in any other vehicle, when there is no person in the vehicle.

9.5. Insurance benefits

Insurance benefits for loss or damage under this Chapter shall be calculated in accordance with the provisions of sections 6 (6.1) and 6(6.2) of Chapter B (contents insurance) save as provided hereunder:

- 9.5.1. Insured items that form part of a system, a set, or a pair of items, will be limited to the value of the relative part of the item that was lost or damaged out of the entire system, set or pair of items.
- 9.5.2. Overseas stamps - the insurance benefits will be calculated based on 60% of their nominal value according to the last Stanley Gibbons catalogue as of the date of the occurrence of the insured event.

- 9.5.3. Cameras and recorders whose age on the date of occurrence of the insured event is up to 7 years - insurance benefits shall be calculated based on replacement value, to the extent that the Insured did not waive coverage according to replacement value with relation to Chapter B - contents chapter. The said items whose age on the date of occurrence of the insured event is more than 7 years - insurance benefits shall be calculated in any event according to indemnity value.
- 9.5.4. Personal laptops whose age on the date of occurrence of the insured event is up to 3 years - insurance benefits shall be calculated based on the replacement value to the extent that the Insured did not waive coverage according to replacement value with relation to Chapter B - contents chapter. The said items, whose age on the date of occurrence of the insured event is more than 3 years - insurance benefits shall be calculated in any event based on replacement value.

10. All-risk contents insurance

10.1. The insured property

The contents described in the Policy Schedule, on the condition that the Insurer received a detailed assessment of an expert appraiser regarding the value of the contents, **provided that insurance coverage under Chapter B was purchased for the contents, and except for the following items:**

- 10.1.1. Glasses, contact lenses, hearing aids, dental prosthesis.
- 10.1.2. Mobile/cellular phones, electronic databases, and electronic planners.

11. The insured event

Accidental, casual, and unforeseeable loss or physical damage to the insured property that occurred during the insurance term for any reason, when they are in the insured Apartment, **except for the following:**

- 11.1. An insured event that is covered under one or more of the following chapters: Chapter B (contents insurance), section 9 in Chapter B'1 (all-risk insurance for jewelry, valuables, and movable property) and an insured event that could have been covered under these chapters or sections if the Insured had purchased them.
- 11.2. Loss or damage not covered under Chapter B or Chapter B'1 (extensions for Chapter B) on the grounds of a limitation to the liability of the Insurer that arose, or as a result of the existence of another condition that voids the insurance coverage under these chapters.
- 11.3. Mechanical breakdown or mechanical or electronic malfunction of any kind.
- 11.4. Scratches or splitting of furniture or home refrigerators or any enamel coat.
- 11.5. Moth, other bugs, words, rodents.
- 11.6. Damage stemming from the movement and/or subsidence of ground.
- 11.7. Damage stemming from defects in design and/or defective construction and/or work.
- 11.8. Cleaning, renovation, repair, or painting works.
- 11.9. Consequential loss.
- 11.10. Wear, humidity and corrosion processes, gradual spoilage, atmospheric or climatic factors with gradual impact.

Chapter C

Extension for an Unoccupied Apartment

This extension shall apply only if stated in the Policy Schedule.

1. The insured event

Loss or damage to the structure of the Apartment (Chapter A) or to its contents (Chapter B) as a result of break-in, robbery, malicious acts, escape or leak of water when the insured Apartment is not occupied, **except for full or partial damage to cash, jewelry, furs, gold items and Interest valuables.**

2. Limitations to the liability of the Insurer

Coverage to an Unoccupied Apartment is subject to the fulfillment of the following conditions:

- 2.1. The existence, working order and operation of all required protective measures in accordance with the Policy and the Policy Schedule.
- 2.2. The main circuit breakers in the water, electricity and gas systems in the Apartment will be shut down at any time in which the Apartment is not occupied.
- 2.3. The Insured or a person on his behalf who is over 17 years of age will visit the Apartment at least once every two weeks.

Chapter D

Insurance of business activities in the Apartment

This extension shall apply only if stated in the Policy Schedule.

For the avoidance of doubt, it is clarified that the extensions to the contents insurance chapter (Chapter B'1) do not apply to business contents.

1. The insured business

This extension shall apply only to the following type of business: an office, a clinic, a beauty salon, a creative workshop, as stated in the insurance proposal and/or in the Policy Schedule.

2. The insured property

If the contents of the Apartment was insured in accordance with Chapter B - the insurance coverage shall also include the contents of the business in the Apartment, including furniture, equipment, computer systems and inventory used by the insured business, and all on the condition that their value is included in the sum insured for the contents.

The liability of the Insurer for loss or damage to the business inventory is up to a limit of 10% of the sum insured of the contents.

3. Limitations to the liability of the Insurer

This extension does not cover loss or damage to the business contents caused as a result of theft.

4. Limitation of liability

The liability of the Insurer for loss or damage to the insured property is limited by a limit of up to 25% of the sum insured for the contents.

5. Third-party liability insurance

Notwithstanding the provisions of section 4 (4.3) in Chapter H (third-party liability), this extension provides cover for an insured event as defined in the said chapter, stemming from the parts of the Apartment used in the insured business. However, this extension shall not cover the professional liability of the Insured or any liability stemming from products that were manufactured, sold, supplied, repaired, handled, assembled, or imported to Israel by the Insured or any person acting on his behalf or in connection therewith.

Chapter E

Contents insurance for a bank safe

This extension shall apply only if stated in the Policy Schedule.

1. The insurance coverage

This Chapter provides coverage for the insured property, as hereinafter defined, as stated in the Policy Schedule, at the time the said property is in a locked bank safe, in the safe room of the bank whose name is as stated in the Policy Schedule, as a result of the occurrence of the insured event, as hereinafter defined.

2. The insured property

Valuable property and documents, such as: jewelry, cash, coins, stamp collections, securities, shares, promissory notes, bonds etc. provided that prior to making the contract the Insurer received an assessment by a licensed appraiser regarding each of the items of the insured property.

3. The insured event

Accidental loss or damage of any kind, that was not excluded expressly from this insurance, caused to the insured property during the insurance term as stated in the Policy Schedule.

4. Limitations to the liability of the Insurer

The Insurer shall not be held liable for any loss or damage as a result of the following causes:

- 4.1. Glass breakage.
- 4.2. Wear, moth, aphids, bugs, worms, gradual defacement, or normal climatic conditions.
- 4.3. Damage caused as a result of a malicious act committed by the Insured, his family member, or any other person acting at their service or with their approval.
- 4.4. Theft by the use of an adjusted key (or its duplicate) unless the key was obtained after a violent threat or by a fraudulent act or by break-in and theft.
- 4.5. Inexplicable disappearance of the property.

Chapter F

Terrorism damage insurance

This extension shall apply only if stated in the Policy Schedule.

1. The insured event

Notwithstanding the provisions of section 2(2.1) in Chapter 1 (Apartment insurance) and in section 4(4.1) in Chapter 2 (contents insurance), the Insurer shall indemnify the Insured - subject to the terms, definitions, and exclusions of the Policy - in respect of physical loss or damage to the structure of the Apartment, if insured under Chapter 1, or the contents of the Apartment, if insured under Chapter 2 - that were caused by terrorist attacks.

“Terrorist attack” for the purpose of this Chapter - shall mean sabotage or harmful action to property that was committed by a person or persons whether or not they are members of any organization, that are hostile to the State of Israel and in consequence of this hostility.

2. Compensation amounts

2.1. Coverage under this Policy is for the amount of damage exceeding the compensation amount that the Insured is entitled to receive by virtue of the provisions of the Property Tax and Compensation Fund Law 5721-1961 and the regulations enacted thereunder (hereinafter: the “Property Tax Law”).

2.2. The Insurer shall not indemnify the Insured for any amount that the Insured is entitled to by virtue of the Property Tax Law that was not paid to the Insured by the Property Tax and Compensation Fund in consequence of failure to observe any of the provisions set forth in the Property Tax Law or because the claim was not filed to the property tax.

2.3. In any event, the insurance benefits under this Chapter shall not fall below an amount equal to 10% of the amount that was actually paid for terrorism damage by the Property Tax and Compensation Fund.

3. Limitations to the liability of the Insurer

This extension does not provide coverage for loss or damage:

3.1. Caused directly or indirectly by an act, action, or an incident in connection with a war, invasion, enemy actions, including hostilities or quasi-belligerent actions (whether or not a war has been declared) that were performed by the forces of a country that is a member in the United Nations and that has voting rights in the General Assembly of this organization.

3.2. A glass or windowpanes breakdown if the main part of the damage in the terrorist event was caused to them.

3.3. Consequential damage of any kind, save as provided in the Policy with respect to loss of rent or expenses in respect of rent for residential purposes in consequence of the insured event.

4. Proof of eligibility

The payment of the insurance benefits under this chapter is subject to the precondition that the Insurer shall be obligated to prove that the insured property was indeed lost or damaged as a result of a terrorist act, as hereinabove defined, by the presentation of one or more of the following documents:

4.1. Written approval from the police or the Ministry of Defense;

4.2. Written approval by the Director of the Property Tax and Compensation Fund, as defined in the law.

Chapter G

Pets insurance

This extension shall apply only if stated in the Policy Schedule.

1. Definitions

- 1.1. **Pet** - a dog or a cat that are the property of the Insured and that are described in the insurance proposal and in the Policy Schedule by their name and description.
- 1.2. **Veterinary** - a veterinary with a valid license in Israel.
- 1.3. **Accident** - unforeseeable personal injury caused by external and visible violence that constitute the sole, direct and immediate cause for the death of the pet.
- 1.4. **Geographic territory** - the territory of the State of Israel and the areas of the "territory" as defined in the Law for Amendment and Extension of the Effect of the Emergency Regulations (Judea and Samaria - Jurisdiction in Offenses and Legal Aid) 5767-2007.

2. The insured event

Death of the pet as a result of an accident, as hereinabove defined, that occurred in the geographic territory, as hereinabove defined, during the insurance term as stated in the Policy Schedule.

3. Sum insured

The sum as stated in the Policy Schedule for the purpose of this chapter.

4. Limitations to the liability of the Insurer

The Insurer shall not indemnify the Insured for an insured event that occurred directly or indirectly as a result of one or more of the following causes:

- 4.1. Participation in dog races.
- 4.2. A malicious act by the Insured, his family member or a person acting at his service or with his approval.
- 4.3. Deliberate killing of the pet, except for "euthanasia" that was performed by a veterinary, after the veterinary decided that this was necessary.
- 4.4. Inexplicable disappearance or theft.

5. Third-party liability insurance

5.1. The insurance coverage

The Insurer shall indemnify the Insured for the insured event, as hereinafter defined, that occurred while the Insured was the owner of the pet, subject to the entire exclusions and the terms set forth in this Policy.

5.2. The insured event

Liability of the Insured towards a third party in respect of an accidental event that occurred in the geographic territory during the insurance term and that caused the following:

5.2.1. Personal injury, death, illness, physical, mental, or intellectual impairment.

5.2.2. Damage to property.

5.3. Limitations to the liability of the Insurer

The Insurer shall not insure the Insured for an insured event that occurred directly or indirectly as a result of one or more of the following causes:

5.3.1. Liability of the Insured towards its employees and first-degree family members.

5.3.2. Liability by virtue of any contract and/or agreement.

5.3.3. Any liability related directly or indirectly to the use of the pet for the occupation or the profession of the Insured, including use for guarding purposes.

5.3.4. Any liability caused in consequence of failure to give the proper vaccination.

5.3.5. Any liability in connection with participation in dog races.

Chapter H

Third-party liability insurance

This extension shall apply only if stated in the Policy Schedule.

1. The insured event

The insured event is the liability of the Insured or his family members, including his household workers, to pay to a third party in accordance with the provisions of the Civil Wrong Ordinance [New Version] subject to the liability limits set out in the Policy Schedule for an accidental event that occurred in the territory of the State of Israel or in the "Territory" as meant by this term in the Law for Amendment and Extension of the Effect of the Emergency Regulations (Judea and Samaria - Jurisdiction in Offenses and Legal Aid) 5767-2007 and that caused -

- 1.1. Death, illness, injury, physical, mental, or intellectual impairment.
- 1.2. Damage or loss of third-party property.

2. Handling claims

- 2.1. The Insurer shall be entitled, and following the demand of a third party - shall be obligated to pay to the third party the insurance benefits that the Insurer owes to the Insured, provided that the Insurer notified the Insured in writing about the said as stated in sub-section 2.2, and the Insured did not object as said in that section; however, any claim that the Insurer can make against the Insured may also be made against the third party.
- 2.2. If the third party demanded from the Insurer insurance benefits, as stated in sub-section 2.1, the Insurer shall notify the Insured about the said in 7 business days as of the date of the demand regarding the said demand, and if the Insured does not express his objection to pay the insurance benefits in 30 days, the Insurer shall pay to the third party the insurance benefits that the Insurer owes to the Insured, if the Insurer owes such payment as said.
- 2.3. The Insurer shall be entitled to accept or conduct in the name of the Insured the defense of any claim and the Insured shall provide to the Insurer, following the request made by the Insurer, the assistance that the Insurer requires for the purpose of settling a third-party claim.
- 2.4. The Insurer undertakes to act in cooperation with the Insured for the purpose of protecting the legitimate interests of the Insured, including his reputation.
- 2.5. In the event of a claim or claims against the Insured stemming from one insured event or a series of events that can be attributed to one source or one cause, and that are covered under this chapter of the Policy, the Insurer shall be entitled to pay to the Insured the entire sum insured under this Chapter, and after making such payment the Insurer shall be exempt from conducting the claim or the claims as said and the Insurer shall not be held under any additional liability in connection therewith, except for the trial costs that were set out by the court or reasonable expenses that were paid in connection with the said claims.

3. Coverage for trial costs

In the event of a claim for the payment of insurance benefits in accordance with this Chapter, the Insurer shall incur reasonable trial costs that the Insured is required to pay in consequence of his liability, even if the said amount exceeds the liability limits under this Chapter.

4. Exclusions to third-party liability

The Insurer shall not be held liable for the indemnity of the Insured for an amount imposed on the Insured or that the Insured incurred if its cause arose from one of the following:

- 4.1. Liability towards employees that maintain employer-employee relationship with the Insured.
- 4.2. Damage caused to the family members of the Insured or a household worker of the Insured.
- 4.3. Liability of the Insured towards a third party that is related directly to the profession or the occupation of the Insured, unless coverage for this activity was stated expressly in the Policy Schedule;
- 4.4. The professional liability of the Insured or liability stemming from products that are manufactured, handled, marketed, or maintained by the Insured within the framework of any business activity;
- 4.5. A vehicle, as meant by this term in the Road Accident Victims Compensation Law 5735-1975, a crane, a hoisting apparatus, an aircraft, a vessel, a motorized vehicle used for driving;
- 4.6. The use of weapons;
- 4.7. Animals other than domestic pets, a dangerous dog or from a dangerous breed, as defined in the Law for Arrangement of the Control of Dogs. 5763-2002;
- 4.8. The use of a swimming pool that includes a filtering system, a Jacuzzi or a sauna not attached to the structure of the Apartment, unless otherwise stated in the Policy Schedule;
- 4.9. The performance of works in the Apartment by a professional, when the duration of the works exceeds two weeks as of the actual commencement date of the works;
- 4.10. A claim that is filed against the Insured in a court outside the territory of the State of Israel.

5. Non-applicability of underinsurance

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

Chapter H'1

Extensions to Chapter H

The extensions in this Chapter shall apply only if this is stated in the Policy Schedule.

1. Liability in consequence of the use of a swimming pool/Jacuzzi

- 1.1. Notwithstanding the provisions of section 4.8 join Chapter H, the Policy is extended to cover an insured event that was caused while the Insured was the owner and/or the possessor of a swimming pool/Jacuzzi in the address as stated in the Policy Schedule.

And subject to the performance of the provisions set forth in any law, including any law and regulation relating to a swimming pool/Jacuzzi including their operation, maintenance and the manner and amount of use of disinfectants and Chlorine.

- 1.2. Liability of the Insurer for this extension shall apply after all of the following conditions have been satisfied:

- 1.2.1. A swimming pool or a Jacuzzi whose entrance is closed and locked in a manner that will deny entry of persons without permission from the Insured.
- 1.2.2. Entrance to a swimming pool or a Jacuzzi of children and youth without the supervision of an adult (over 18 years of age) is prohibited.
- 1.2.3. Failure to provide supervision by a licensed life guard in accordance with the law in the event that the number of users in the pool is 20 persons and above.

2. Liability during the performance of works in the apartment

Notwithstanding the provisions of section 4.9 in Chapter H, the Policy is extended to provide coverage for an insured event that was caused during the performance of the works in the apartment by a professional, as of the 15th day of the date of the actual commencement of the work and until the expiration of the period as stated in the Policy Schedule for this extension.

Chapter I

Third-party liability insurance in respect of the possession of a firearm

The extensions in this Chapter shall apply only if this is stated in the Policy Schedule.

1. Definitions

A firearm for the purpose of this chapter shall mean a pistol.

2. The insured event

The insured event is the liability of the Insured for the payment to a third party in accordance with the Civil Wrong Ordinance [New Version], subject to the liability limits set out in the Policy Schedule for an accidental event that occurred in the area of the State of Israel or in the "territory" as defined in the Law for Amendment and Extension of the Effect of the Emergency Regulations (Judea and Samaria - Jurisdiction in Offenses and Legal Aid) 5767-2007 in consequence of the possession or the use of a firearm by the Insured that caused the following:

- 2.1. Death, illness, injury, physical, mental, or intellectual impairment.
- 2.2. Damage or loss to third-party property.

3. Coverage of trial costs

In the event of a claim for the payment of insurance benefits in accordance with this chapter, the Insurer shall incur reasonable trial costs that the Insured was obligated to incur in respect of its liability, even beyond the liability limit set out under this chapter.

4. Exclusions to third-party liability

The Insurer shall not be held liable for indemnifying the Insured for an amount that will be imposed on the Insured or that the Insured incurred if its cause stemmed from one of the following:

- 4.1. The profession or the occupation of the Insured.
- 4.2. Liability of the Insured towards its employees and first-degree family members.
- 4.3. Liability by virtue of any contract and/or agreement.
- 4.4. Liability stemming from the possession and/or the use of the firearm in contravention of the law.

5. Special terms and conditions

The insurance coverage under this chapter shall be provided after all of the following conditions have been met:

- 5.1. The Insured holds a firearm licensed by the competent authorities and observes the entire requirements laid down in the law in connection with the possession of the firearm.

- 5.2. The Insured applies all reasonable measures so that the firearm will not reach unauthorized persons.
- 5.3. No bullets are loaded in the firearm, except for circumstances in which the firearm is under the possession of its licensed holder.
- 5.4. The Insured does not hold or use the firearm for the purpose of filling his position as a soldier, policeman, guard, or any other occupation for the purpose of filling his position or performing his work.
- 5.5. The firearm is a pistol and is lawfully licensed.

6. All-risk extension for a pistol

- 6.1. Notwithstanding the provisions of section 1 (6.1) in Chapter B (contents insurance), the Insurer shall indemnify the Insured for loss or damage that occurred to a pistol as a result of a casual and unforeseeable accidental event that was not excluded expressly under this insurance, up to the amount of ILS 7,500.
- 6.2. The insurance under this extension does not provide coverage to the following:
 - 6.2.1. Internal damage to the pistol mechanism.
 - 6.2.2. Damage stemming from use for professional purposes.
 - 6.2.3. Damage stemming from the process of cleaning, repairing, or renovating the pistol.
 - 6.2.4. Damage as a result of a malicious act or a crime committed by the Insured or a person related to the Insured.
 - 6.2.5. Loss or damage caused to the pistol when the pistol was in a vehicle, when there is no person in the vehicle.
 - 6.2.6. Any loss or damage that were caused when the pistol is not held by the Insured.

Chapter J

Employers' liability for household workers

The extensions in this Chapter shall apply only if this is stated in the Policy Schedule.

1. The insured event

The insured event is the liability of the Insured or his family members, including his household workers in accordance with the Civil Wrong Ordinance [New Version], towards a household worker of the Insured, including workers who do not reside in the insured apartment, subject to the liability limits set out in the Policy Schedule, for personal injury or death of a household worker of the Insured, that occurred while the worker was under the direct service of the Insured as a result of an accident or a disease that occurred during the insurance term as stated in the Policy Schedule in the course of and in consequence of his work in the apartment described in the Policy Schedule, the territory of the State of Israel or in the "Territory" as meant by this term in the Law for Amendment and Extension of the Effect of the Emergency Regulations (Judea and Samaria - Jurisdiction in Offenses and Legal Aid) 5767-2007.

2. Coverage for trial costs

In the event of a claim for the payment of insurance benefits under this Chapter, the Insurer shall incur reasonable trial costs that the Insured is required to pay in respect of his liability, even beyond the liability limit under this Chapter.

3. Exclusions to the liability of the Insurer

The Insurer shall not be held liable for indemnifying the Insured for an amount that will be imposed on the Insured or that the Insured incurred if caused by one of the following:

- 3.1. Any liability of the Insured by virtue of an agreement that did not exist in the absence of this agreement.
- 3.2. Any amount that will be claimed from the Insured by the National Insurance Institute.
- 3.3. Any amount that the National Insurance Institute paid in respect of the injury, death, or the disease, or that would have been paid by the National Insurance Institute however that was not paid as a result of failure to perform any of the provisions set forth in the National Insurance Institute Law or the regulations enacted thereunder or as a result of failure to file a claim to the National Insurance Institute.
- 3.4. Liability of the Insured for any injury or death, accident or disease that were caused to a youth who was employed in violation of the provisions set forth in the laws or regulations on youth employment, any liability in respect of a claim stemming directly or indirectly from the Road Accident Victims Compensation Law 5735-1975.

4. Liability stemming from exposure to a continuing risk

If the liability of the Insured towards a worker arises from an accident or a disease stemming from the exposure of the worker to a continuing risk and/or to a continuing event or a sequence of cumulative events (hereinafter: the "Cause of the Damage") in the course of and in consequence of work in the apartment of the Insured, the Insurer shall incur the relative part of the liability, based on the ratio between the period of exposure of the worker to the Cause of the Damage during the insurance term of this Policy and the total exposure period.

Chapter K

General Terms and Conditions for all Policy Chapters

1. Compensation methods

The Insurer may, at its discretion, select one or more of the following compensation methods:

- 1.1. Payment in cash for the value of the loss or damage.
- 1.2. Repairing the Apartment or the contents that was lost or damaged, and restoring them to their condition shortly before the occurrence of the loss or damage.
- 1.3. Replacing the contents or any part thereof or replacing parts of the Apartment with items of the same type and quality to the ones that were lost or damaged, and with respect to jewelry, subject to the agreement of the Insured and on the condition that the jewelry items can be identified or replaced with identical jewelry items.

2. Linkage of the sums insured

- 2.1. The sums insured as set forth in this Policy will change in accordance with the changes between the consumer price index published by the Central Bureau of Statistics (hereinafter: "Index") that was published shortly before commencement of the insurance term and the Index that was published shortly before the occurrence of the insured event. Except for the sums insured under chapter A, and that will change according to the changes in the Construction Input Price Index published by the Central Bureau of Statistics (hereinafter: "Construction Input Price Index") that was recently published prior to the commencement of the insurance term and the Construction Input Price Index that was published shortly before the occurrence of the insured event.
- 2.2. If, during the insurance term, the sums insured are increased at the request of the Insured, not as a result of linkage to the Index or linkage to the Construction Input Price Index, each increase as aforesaid shall constitute an additional basic amount to which the linkage terms stated above apply, and the basis for the increase shall be the Construction Input Price Index, as the case may be, according to its rate as published shortly before the increase took effect.

3. Linkage and interest on insurance benefits

- 3.1. The insurance benefits due to the Insured as a result of the occurrence of the insured event shall change based on the changes in the Index that was published shortly before the occurrence of the insured event and the Index that was published shortly before making payment to the Insured, except for insurance benefits in accordance with chapter A that shall change according to changes in the Construction Input Price Index that was published shortly before the occurrence of the insured event and the Cost of Building Index that was published shortly before making payment to the Insured.

- 3.2. Interest in its rate as set forth in the definition of “linkage differentials and interest” in section 1 of the Adjudication of Interest and Linkage Law, 5721-1961 (hereinafter: “Adjudication of Interest and Linkage Law”) shall be added to the insurance benefits 30 days as of the date of delivery of a claim for payment of insurance benefits in accordance with this Policy. This provision shall not derogate from the powers of the court in accordance with the said law.

4. Replacement value

- 4.1. Upon the occurrence of the insured event to the Apartment or contents thereof, insurance benefits shall be paid in accordance with the replacement value of Apartment or the contents, unless the Insured waived this coverage and this was documented by the Insurer and stated in the Policy Schedule. “Replacement” for the purpose of this matter - reconstruction, repair, or replacement with new property of the same quality and type of the property that was lost or damaged.
- 4.2. The payment of insurance benefits in replacement value in consequence of an insured event is conditional on the reconstruction or repair or replacement by the Insured of the property that was lost or damaged without changing the quality and type of the property that was lost or damaged. In case the property that was lost or damaged was not reconstructed, repaired, or replaced, the insurance benefits with respect to the said property shall be in accordance with indemnity value.
- 4.3. In case a separate sum insured was set for any of the items of the contents, the insurance benefits paid for loss or damage caused to that item shall not exceed the amount stated for that item in the Policy Schedule.
- 4.4. In case a separate sum insured was not designated for any of the items of the contents, however the Policy Schedule states that the insurance benefits shall be paid in accordance with replacement value, insurance benefits for loss or damage that was caused shall be paid according to replacement value.
- 4.5. No Insurance benefits shall be paid in replacement value for loss or damage caused solely to clothes.
- 4.6. Insurance benefits paid under this section shall be paid according to the value of the property as new on the date of replacement or according to its value as new on the day of paying insurance benefits, upon the earlier.
- 4.7. Replacement shall start a reasonable time after the occurrence of the loss or damage, and in any event shall be completed with respect to the Apartment in 12 months as of the date of occurrence of the insured event, and with respect to contents - in 90 days as of the date of occurrence of the insured event. In case it is not possible to complete replacement during the said periods for reasons that are not contingent on the Insured, the period of replacement shall be extended following coordination between the Insured and the Insurer.
- 4.8. The liability of the Insurer under this section shall not exceed the sum insured stated in the Schedule with respect to the Apartment, contents, or the item, as the case may be

5. Claim for insurance benefits

- 5.1. In case an insured event occurred, the Insured shall notify the Insurer immediately after becoming aware of the said insured event.
- 5.2. A claim for payment of insurance benefits filed in accordance with this Policy shall be documented by the Insurer. The said shall not prevent from the Insurer to demand the Insured to file the claim in writing.
- 5.3. The Insured shall deliver to the Insurer, within a reasonable time after he was required to do so, the information and documents that are required for the purpose of inquiring the liability and its scope, and if the said documents and information are not in his possession, the Insured shall assist the Insurer to obtain them to the best of his abilities. The Insured shall be entitled to submit a copy of the said documents in a digital medium and, at the least, in an email, a text message and in the online personal account of the Insured.
- 5.4. Immediately after receiving notice from the Insured regarding the occurrence of the insured event, the Insurer shall perform any necessary action for the purpose of inquiring its liability.
- 5.5. The insurance benefits shall be paid in 30 days as of the day the Insurer obtained the information and documents that are required for the purpose of inquiring its liability.

6. Notice to the police in regarding malicious acts, break-in, robbery, or theft

In any event the Insured is of the opinion that loss or damage was caused due to malicious acts, break-in, robbery or theft, the Insured shall notify the police upon the occurrence of the said event.

7. Finding property

- 7.1. In case stolen was found before insurance benefits were paid in respect whereof, the property shall be returned to the Insured and the Insurer shall not pay insurance benefits unless the property that was returned was damaged.
- 7.2. In case stolen property was found after insurance benefits were paid in respect whereof, the Insurer shall notify the Insured about the same or vice versa. The property that was found shall be delivered to the possession of the Insurer unless the Insured notified the Insurer in 30 days as of the date of receiving the notice of the Insurer or the Insured, as the case may be, that he wishes to receive the property that was found in exchange for return of the insurance benefits to the Insurer during the said period.

8. Down payment and undisputed insurance benefits

- 8.1. Upon the occurrence of the insured event, the Insured shall be entitled to receive from the Insurer a down payment or a financial undertaking that will allow him to receive service for the purpose of repairing the damage or the loss at the expense of payments that are due from the Insured in accordance with the provisions set forth in this Policy.
- 8.2. In case the Insurer paid a down payment at the expense of insurance benefits, the said advance shall be deducted from the final amount paid to the Insured. Calculation of deduction shall be made with linkage of the down payment to the Index or the Construction Input Price Index, as the case may be, as of the date of paying the advance and until the final payment date.

- 8.3. Insurance benefits that is not disputed shall be paid in 30 days as of the day the Insured filed a claim in accordance with the provisions set forth in section 5 (5.2) regarding payment of insurance benefits and may be claimed separately than the other part of the insurance benefits.

9. Restoring sums insured to their previous amount

- 9.1. After paying the insurance benefits to the Insured in consequence of the occurrence of the insured event, the Insurer shall restore the scope of its liability under this Policy to its previous value that was prior to the occurrence of the insured event.
- 9.2. The Insurer shall be entitled to charge additional Insurance Premiums for restoring the liability limit to its previous value as of the date of occurrence of the insured event and until the expiration of the insurance term; for the purpose of calculating the Insurance Premiums that the Insured is obligated to pay for the restoration of the sum insured to its previous level, the Insurer shall only take into consideration the insurance benefits that the Insurer actually paid.

10. Deductible

- 10.1. Upon the occurrence of an insured event covered under this Policy, the deductible set forth in the Policy Schedule for each claim shall be deducted from the insurance benefits.
- 10.2. In case a deductible was set for a particular insured event as percentage of the sum insured, the deductible amount shall be calculated separately with respect to each of the Policy chapters.
- 10.3. Without derogating from the aforesaid in sections 10.1 and 10.2, upon the occurrence of the insured event covered under chapters A and B of the Policy, the Insured is charged with one payment of deductible amount that shall not exceed the higher of the amounts stated in the Schedule.

11. Payment of insurance premiums and other fees

- 11.1. The insurance premiums 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 stated in the Policy Schedule.
- 11.2. For the purpose of this Policy, insurance premiums shall be the total payments that an insurer is entitled to collect from an insured, in accordance with the Policy Schedule.
- 11.3. In case any amount due from the Insured to the Insurer was not timely paid, the amount in default shall incur annual interest as set forth in the Adjudication of Interest and Linkage Law according to the changes in the Index, between the Index that was published shortly before the date that was set for payment and the Index that was published shortly before the actual payment date.
- 11.4. In case any amount in default was not paid in fifteen days after the Insurer delivered written notice to the Insured with a demand to pay the said amount, the Insurer may notify the Insured that the insurance will be canceled after 21 additional days, unless the amount in default is paid during the said period, in case a beneficiary other than the Insured is designated, and the designation was irrevocable, the Insurer shall be entitled to cancel the insurance upon delivery of written notice to the beneficiary regarding the said default and the beneficiary failed to settle the amount in default in fifteen days from the day he received the said notice.

- 11.5. Cancellation of the insurance in accordance with this section shall not derogate from the obligation of the Insured to settle the amount in default relating to the period until the said cancellation, and the Insurer's expenses.

12. Disclosure and change in a material matter

- 12.1. This Policy was issued based upon the answers that the Insured provided to the Insurer, in writing or in any other manner that was documented by the Insurer, with respect to all the answers the Insured was asked in the proposal that served as basis for the Policy, and based upon the assumption of the Insurer that the Insured provided full and honest answers to the questions he was asked as aforesaid, did not conceal fraudulently a matter which he knew that it was material for the Insurer for the purpose of evaluating the risks insured and took measures to prevent damages that the Insurer demanded to take in writing for the purpose of mitigating the risks insured under this Policy.
- 12.2. A material matter is a matter in respect of which a question was asked in the written insurance proposal or in any other manner documented in the Insurer and, without derogating from the generality of the aforesaid, the following matters:
- 12.2.1. With regard to the Apartment: address of the Apartment, value of the Apartment, type of building, construction materials, location of the Apartment in the building, any kind of safety measures, age of the Apartment, size of the Apartment, number of rooms, number of persons residing in the Apartment regularly, special additions and changes.
 - 12.2.2. With regard to contents: description of the items forming the contents, value of contents, specification of electrical appliances: their type, model, age and value, and specification of valuables.
 - 12.2.3. With regard to the Apartment and the contents: damage that occurred in the last three years as a result of the risks that are covered under this Policy, and information regarding previous insurers who insured or who refused to insure the Apartment or the contents in the last three years;
- 12.3. In case the Insured did not provide full and honest answers to questions in material matters, or in case the Insured concealed fraudulently a material matter, or failed to take measures that the Insurer demanded for the purpose of mitigating the risks insured under this policy, the Insurer shall act in accordance with the provisions set forth in the Insurance Contract Law. This section shall not prevent from the Insurer to obtain any remedy granted to it by law.
- 12.4. During the insurance term the Insured shall notify the Insurer regarding any change that occurred in a material matter, immediately upon becoming aware of the said matter. In case the Insured failed to disclose to the Insurer such change as aforesaid, the Insurer shall be entitled to cancel the Policy or reduce the scope of its liability in accordance with the provisions set forth in the Insurance Contract Law.

13. Cancellation of the Policy

- 13.1. The Insured shall be entitled to cancel the Policy at any time prior to expiration of the insurance term, at his discretion. The insurance shall be canceled on the date a notice in connection therewith was delivered to the Insurer or on a later date in accordance with the request of the Insured.
- 13.2. Without derogating from the rights of the Insurer by law, the Insurer may cancel the insurance prior to expiration of the insurance term due to fraud committed by the Insured or due to failure to properly disclose details the Insured was asked about prior to issuance of the Policy, and provided that a notice in connection therewith including the reasons for the cancellation shall be delivered to the Insured in registered mail no less than 30 days prior to the date of cancellation of the insurance.
- 13.3. In case an Insured delivered notice regarding cancellation of the Policy as stated in section 13.1 or in case the Insurer delivered notice regarding cancellation of the Policy as stated in section 13.2 the Insurer shall return to the Insured the relative part of the insurance premiums that were paid at the earliest opportunity and no later than 14 days from the date the cancellation took effect and the relative part as aforesaid shall be calculated by multiplying the insurance premiums that the Insurer collected by the ratio between the number of days that remained at the time of cancellation, until the expiration of the original insurance term, and the number of days that are included in the original insurance term.
- 13.4. All amounts returned in accordance with this section shall vary according to the change in the Index that was published shortly before the date of making payment of the insurance premiums and the Index that was published shortly before the date of returning the insurance premiums, if the insurance premiums were paid in installments, each amount shall vary according to the changes in the Index between the Index that was published shortly before the date of making the payment and the Index that was published shortly before return of the insurance premiums.
- 13.5. Notwithstanding the said in this section, a charged policy shall be canceled 30 days after delivery of notice regarding the cancellation to the beneficiary.

14. Double insurance

- 14.1. In case the Apartment or contents thereof was insured against the risks stated in this Policy with more than one insurer for overlapping periods, the Insured shall deliver notice regarding the said to the Insurer immediately after the double insurance was arranged or immediately after becoming aware of the said.
- 14.2. The insurers shall be held liable severally towards the Insured in double insurance for the full amount, and among themselves the insurers shall incur payment of insurance benefits according to the ratio between the sums insured.

15. Replacement of Apartment

- 15.1. In case the Insured replaced the Apartment during the insurance term and moved to another Apartment (hereinafter: "New Apartment") the Insured may, upon delivery of notice to the Insurer and upon obtaining its approval, transfer the coverage provided under this Policy to the New Apartment and the coverage for the Apartment and contents thereof shall continue to be in effect in the New Apartment. In accordance with the notice delivered by the Insured and in

accordance with the provisions set forth in the existing Policy, notwithstanding the said in this subsection, coverage for the contents shall continue to be in effect in the two Apartments for a period that shall not exceed 3 days.

- 15.2. In case the value of the New Apartment or the new contents exceeded the value of the Apartment or the contents on the date of moving to the New Apartment, the Insured shall increase respectively the sums insured and shall pay to the Insurer in 30 days from that date the differences in insurance premiums relative to the increase in the sums insured; calculation of insurance premiums for increase of the sums insured shall be made while taking into account the increase of the value of the Apartment or the contents as of the insurance commencement date and until the moving date.
- 15.3. In case the value of the New Apartment or the new contents is lower than the value of the Apartment or the contents on the date of moving to the New Apartment, the Insured shall decrease accordingly the sums insured and shall receive from the Insurer, in 30 days as of that date, the difference in the insurance premiums relative to the decrease in the sums insured, calculation of the insurance premiums in respect of decrease of the sums insured shall be made while taking into account the increase of the value of the Apartment or the contents as of commencement of the insurance term and until the moving date.

16. Subrogation

- 16.1. If, due to the occurrence of the insured event, the Insured was also entitled to compensation or indemnity towards a third party, not by virtue of the insurance contract, the said right shall be transferred to the Insurer once it paid insurance benefits to the Insured, and according to the rate of compensation it paid.
- 16.2. The Insurer may not exercise the right that was transferred to it under this section in a manner that will affect the right of the Insured to collect compensation or indemnity from the third party above the compensation he received from the Insurer.
- 16.3. In case the Insured received compensation or indemnity from the third party that was due to the Insurer in accordance with this section, the Insured shall transfer the said compensation to the Insurer. In case the Insured entered into a settlement, waiver or any other act that affects the right that was transferred to the Insurer, the Insured shall compensate the Insurer in connection therewith.
- 16.4. The provisions set forth in this section shall not apply in case the insured event was caused inadvertently by a person from whom a reasonable insured would not have claimed compensation or indemnity due to family relations or work relations or due to landlord-tenant relations between them, and on the condition that the tenant and the landlord mutually waived the right of subrogation.

17. Limitation

- 17.1. The limitation period of a claim for insurance benefits in accordance with this Policy shall be in accordance with the period that was set forth in the Insurance Contract Law.

18. Consequential loss

The Insurer shall not be held liable for any consequential loss caused to the Insured or the beneficiary as a result of the risks covered under this Policy, unless otherwise stated in this Policy.

19. Notices

- 19.1. Any notice of the Insured or the beneficiary to the Insurer shall be delivered in writing to the Insurer to one of the following:
 - 19.1.1. The address of the office of the Insurer, as stated in the preamble of the Policy, or any other address in Israel as notified by the Insurer to the Insured or the beneficiary, from time to time.
 - 19.1.2. The office of the insurance agent as stated in the Policy - according to his address as stated thereat, or according to any other address in Israel as notified by the insurance agent stated or the Insurer to the Insured or to the beneficiary from time to time.
- 19.2. A notice of the Insured or the beneficiary to the Insurer may be delivered in one of the manners stated in subsection (19.1) as notified by the Insurer to the Insured or the beneficiary from time to time.



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