



**QBE**

**GENERAL TERMS  
AND CONDITIONS FOR  
HOUSEHOLD INSURANCE**

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## GENERAL TERMS AND CONDITIONS FOR HOUSEHOLD INSURANCE

### of QBE Insurance (Europe) Limited – Sofia Branch

Adopted by a decision of the General Manager of QBE Insurance (Europe) Limited – Sofia Branch of 18.03.2008 and effective as of the same date)

#### I. Our agreement in general

##### 1.1. Policy and general terms and conditions

The policy issued by us and these general terms and conditions together constitute a legal contract between you and us. You pay us the insurance premium set out in the policy, and we provide you with the cover you have chosen as set out in these general terms and conditions, during the period of insurance shown on the policy or any renewal period.

The exclusions in the section headed „When you are not covered – General Exclusions” and the conditions in the section headed „General Conditions” apply to all types of cover.

Please read these general terms and conditions and your policy carefully, and satisfy yourself that they provide the cover you require. If you would like to obtain more information about any part of these general terms and conditions and your policy, please ask us or your intermediary. The address and telephone number of QBE Insurance (Europe) Limited – Sofia Branch are set out in these general terms and conditions and your policy.

You should keep your policy and these general terms and conditions together in a safe and convenient place for future reference.

##### 1.2. Duty of disclosure

We regard the circumstances represented by you in the sections of your policy headed „Home Details” and „Representations” as material circumstances in respect of the covered risk, in the sense of Article 188 of the Insurance Code. You are required during the term of the policy to tell us immediately, but not later than 5 days, of any changes to such circumstances represented by you.

If you do not comply with your duty of disclosure we may cancel or amend your policy. In case of occurrence arising out of or influenced by an intentional non-disclosure we may reduce the amount of indemnity or refuse to pay any indemnity.

##### 1.3. Providing proof

In settlement of your claim we may require from you evidence of ownership and value of an item. This evidence can be a combination of:

- Receipts, valuations, instruction manuals, guarantee certificates, catalogues,
- Make, model and serial number,
- Photographs or video film of the item.

We may ask you for these if you make a claim. You must be able to prove to us that you have suffered a loss that is covered by the policy before we will pay you for it.

##### 1.4. Other parties' interests

You must tell us of the interests of all parties (e.g. financiers, owners, lessors) who will be covered by this insurance. We will protect their interests only if you have told us about them and we have noted them on your policy.

If the policy is executed for the benefit of any creditor of yours, each indemnity shall be paid to such creditor up to the amount of your obligation outstanding as of the time of payment, and the remainder shall be paid to you. In each such case the indemnity shall be paid on the basis of a tri-party agreement among you, your creditor and us.

##### 1.5. Paying your premium

You must pay the full amount of the insurance premium or the first installment thereof, in case of deferred payment, in order for

the policy to take effect. In case of deferred payment of the insurance premium, you must pay each installment by the due date. If you do not pay any installment of the insurance premium by its due date, the policy will be automatically terminated at the end of 15<sup>th</sup> day after the due date.

##### 1.6. Payment of excesses

Excesses may also apply to any claim under this insurance. The excesses that are applicable are included in these general terms and conditions or noted on the policy.

Excess will be applied for each incident where a claim is made. Note, when both your home and your contents are insured with us, you will only have to pay one excess for an incident.

We deduct the excess shown in these general terms and conditions or the policy from the amount of your claim.

Where a sub-limit is applicable, the excess will be applied to the claim prior to applying the sub-limit.

##### 1.7. Preventing our right of recovery

If you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or liability which is covered by the policy, we will not cover you under the policy for that loss, damage or liability.

#### II. Terms with special meanings

Wherever the following words or terms are used in these general terms and conditions or the policy, they shall have the meaning opposite them:

Apartment	An individual object of ownership forming part of a condominium and designated for residential purposes.
Bodily injury	Death or permanent disability.
Computer equipment	Desktop or portable personal computer including peripherals such as printers, modems, data projectors and speakers, and standard purchased computer software but not data of any kind or custom written software.
Earth movement	Heavage, landslide, land-slippage, mudslide, settling, shrinkage or subsidence.
Entertainment equipment	One or more sound or visual entertainment system in your home including each individual item like television, radio, video player or projector, CD player, DVD player, amplifier or speakers, and all accessories.
Erosion	That being worn or washed away by water, ice or wind.
Excess	The first part of each and every claim, which you (not your insurer) must pay.
Fixture	An item that is permanently attached or fixed to your home or the site, such as: <ul style="list-style-type: none"> <li>■ a room heater, stove, built-in air conditioner, ceiling fan, light fitting, hot water system</li> <li>■ kitchen cupboards, built in furniture</li> <li>■ a meter box</li> <li>■ exterior blinds and awnings</li> <li>■ an inground swimming pool, water tank</li> <li>■ a reticulation system</li> <li>■ a television aerial, radio mast or aerial and fittings</li> <li>■ fixed light fittings, fixed wall coverings, fixed ceiling coverings and fixed floor coverings but not</li> <li>■ carpets, internal blinds, curtains</li> <li>■ a caravan, trailer or their accessories</li> <li>■ a swimming pool that can be moved from the site</li> <li>■ pool covers or pool accessories</li> </ul>

<b>Flash flood</b>	What occurs when there are heavy, intense bursts of rainfall, usually during thunderstorms, where so much water falls in a very short time that it cannot get away quickly enough and collects and flows into <b>your</b> home. But does not include an event where rainwater on the <b>site</b> cannot run off into a <b>water catchment system</b> , because it is overflowing in flood, and mixes with the flood water coming from the <b>water catchment system</b> and then flows into <b>your</b> home.
<b>Flood</b>	An event where water that is normally contained in a <b>water catchment system</b> increases because of rainfall or snow melt (whether in the immediate region or elsewhere) or is deliberately released by an authority, and overflows onto land that is not normally covered by water.
<b>General terms and conditions</b>	These <b>general terms and conditions</b> .
<b>Impact</b>	Collision of two or more objects.
<b>Insurance Code</b>	The Bulgarian Insurance Code effective 1 January 2006, as subsequently amended and supplemented.
<b>Insured event</b>	Any of the events listed in the sections headed „What <b>you</b> are insured against, and what <b>you</b> are not”, as applying to home and contents respectively.
<b>Malicious act</b>	A wrongful act motivated by malice, vindictiveness or spite with the intention of damaging the property
<b>Open air</b>	Anywhere on the <b>site</b> but not fully enclosed by walls and a roof and which is not able to be <b>secured</b> and also any outbuildings on the <b>site</b> if such outbuildings are not able to be <b>secured</b> .
<b>Pair or set</b>	2 or more articles, the collective value of which exceeds the sum of their individual values.
<b>Period of insurance</b>	The period shown on the <b>policy</b> .
<b>Personal belongings</b>	Clothing, luggage and other items <b>you</b> use to meet personal needs essential for daily living.
<b>Photographic equipment</b>	Photographic camera, camcorder, photographic lens and all accessories
<b>Policy</b>	A document signed between <b>you</b> and <b>us</b> titled „insurance policy” that includes the personal details of the insured, the insured property, the insurance premium, the sum insured and other variables to a <del>insurance policy taken out on the basis and subject to the application of these general terms and conditions.</del>
<b>Properly maintained</b>	Means that <b>your</b> home is structurally sound, secure and in good state of repair and its roof guttering and roof are regularly cleaned.
<b>Property damage</b>	Physical damage to or loss or destruction of tangible property.
<b>Rain</b>	Water that has fallen from the sky onto <b>your</b> home and the <b>site</b> but not water from a <b>flash flood</b> .
<b>Rebuilding cost</b>	The full cost of rebuilding the home in the same size, style and condition as when new, or as when last renovated, altered or restored, including the cost of complying with any statutory requirements or local authorities' requirements, such as without limitation demolition costs, architect's fees, surveyor's fees etc.
<b>Secured</b>	Locked so as to prevent entry other than by using force.
<b>Site</b>	The land at the address shown on the <b>policy</b> , on which <b>your</b> home is built, including the yard or garden used for domestic purposes.

<b>Sport equipment</b>	Clothing, helmets, footwear, protective gear or equipment used when participating in recreational or competitive sport, ski, surf ski, kite, but does not include a bicycle or firearm.
<b>Sum insured</b>	The amount that <b>you</b> have insured <b>your</b> home and <b>your</b> contents for as shown on the <b>policy</b> .
<b>Unoccupied</b>	Means that <b>your</b> home is not furnished such that it is comfortably habitable. A <b>home</b> is considered unoccupied if: <ul style="list-style-type: none"> <li>■ it does not contain a usable bed/mattress, or</li> <li>■ it does not contain at least a dining table, or a bench, a chair and some other furniture, or</li> <li>■ it does not contain a functioning refrigerator, or</li> <li>■ it is not connected to the electricity, or</li> <li>■ it is not connected to hot and cold running water</li> </ul>
<b>Water catchment system</b>	Any of the following: <ul style="list-style-type: none"> <li>■ a river, creek, other natural watercourse or lake, whether they are in their original state or have been modified, are named or unnamed, or normally dry that only run during periods of <b>rain</b> and</li> <li>■ a dam, reservoir, storm water channel or canal</li> </ul>
<b>We, our, us</b>	QBE Insurance (Europe) Limited – Sofia Branch, Head Office: 26-28-30 Bacho Kiro Street., 1000 Sofia, Bulgaria, tel: 00359 2 930 1919, fax: 00359 2 930 1920 QBE Insurance (Europe) Limited – Sofia Branch.
<b>Wear and tear</b>	Reduction in value through age, ordinary use or through lack of maintenance.
<b>Work of art</b>	A piece of fine art such as a painting or a picture, persian carpet, rug or wall hanging, tapestry, vase, ornament, sculpture or other creation.
<b>You, your</b>	<ul style="list-style-type: none"> <li>■ each company or firm named on the <b>policy</b> as the 'Insured' and</li> <li>■ each individual (including any member of his/her family permanently living in the home) named on the <b>policy</b> as the 'Insured'</li> </ul>

### III. Types of cover

#### 3.1. Cover for your home

**Your policy** indicates whether **your** home is insured and the **sum insured**.

#### **What 'home' means**

„**Home**” is an **apartment** or a house made of brick or reinforced concrete, with a slate or tile, or concrete roof (unless otherwise stated in the **policy**), located at the **site** shown on **your policy** and used entirely or primarily as a place of residence. A home includes structural improvements, **fixtures**, installations on the outside walls and outbuildings (not having the quality of a building) at the **site**, if able to be **secured**.

Outbuildings do not include:

- any structure which is not on a permanent foundation or base;
- any structure which is made of canvas, PVC or any other non-rigid material;
- any structure not within the boundary of the **site** unless **we** agree otherwise in writing.

#### **What 'home' does not mean**

'Home' does not include

- improvements of the surrounding ground, landscaping, pathways, driveways, retaining walls, fences, gates, any other items located in **open air**;
- trees, shrubs and any other plant life including grass or lawns, hedges, or soil, sand, gravel or mulch;
- a hotel, motel, nursing home, boarding house, caravan, or trailer;
- ideal parts, attics or basements of a building pertaining or corresponding to **apartments** in the building;
- a building or a part of a building in the course of being constructed, reconstructed, demolished, or that is vacant pending any such activity;

- a building which is not subject to an issued deed for establishing of the construction works' readiness for acceptance (attachment #15) in the sense of art. 7. para. 3, item 15 of Ordinance #3 on Issuing of Deeds and Protocols at the Time of Construction, if such a deed is required to be issued in respect of the building pursuant to applicable law;
- any building used for any business or trade, except an **apartment** or a house used principally as a place of residence that also contains an office or a surgery.

**Sum Insured and Excess**

At all times the **sum insured** must be adequate to cover the **rebuilding cost** of the home. If at the time of loss **your sum insured** is lower than the **rebuilding cost** of the home, **your claim** will be settled on a proportional basis.

For example, if the **sum insured** is 80% of **rebuilding cost** of the home, **we will pay only 80% of your claim**.

**We do not cover** the first 100 BGN of each claim in respect of loss or damage to **your home**, except if otherwise stated in the **policy**.

**What you are insured against and what you are not**

You are insured for loss or damage to **your home** caused directly by any of the **'insured events'** set out in the left column of the following table which occur suddenly and accidentally during the period of insurance, – except to the extent indicated in the right column of the table.

There are also some limits and exclusions described under 'How we will pay' and 'When **you** are not covered – General Exclusions', which **you** must read.

You are insured against loss or damage caused directly by the following insured events	But not
(a) Fire or explosion; Lightning or thunderbolt	Loss or damage: <ul style="list-style-type: none"> <li>■ to any item caused by scorching, melting, or charring without flames</li> <li>■ to a heat resistant item when the fire only caused damage to that item</li> <li>■ to the item that exploded</li> </ul> For example <b>we will not pay for a chimney, fireplace or oven, if it is the only item damaged by the fire, and we will not pay for an exploded heating boiler or a hot water system.</b> Loss or damage caused by fluctuations in the power supply if there is no visible evidence of damage caused by the lightning strike, or if the damage was caused by power surge or as a result of interruption to <b>your</b> normal power supply.                     For example, when there has been a lightning strike there will be visible damage to a power line or pole nearby <b>your home</b> . Visible damage will also be evident to the appliance, which is not working and will include scorch or burn marks to the electrical circuitry consistent with a lightning strike nearby <b>your home</b> .
(b) Storm (including cyclone or hurricane) and/or rain, which may be accompanied by snow, sleet, hail, or flash flood	Loss or damage caused by: <ul style="list-style-type: none"> <li>■ water seeping or otherwise entering <b>your home</b> unless:                             <ul style="list-style-type: none"> <li>- the water entered through an opening in the wall or roof that had been made directly by the storm or <b>rain</b>, or as a direct result of it, or</li> <li>- due to <b>flash flood</b></li> </ul> </li> <li>■ mildew, mould and other microorganisms;</li> <li>■ atmospheric or climatic conditions other than storm</li> <li>■ water entering the home through an opening made for the purpose of alterations, additions, renovations or repair</li> <li>■ any residue deposited by the <b>rain on your home</b></li> <li>■ natural accumulation of snow and ice or by water penetrating or entering <b>your home</b> because it has not been <b>properly maintained</b>, or as a result of a design fault, structural defect or because of defective workmanship</li> </ul>

	<ul style="list-style-type: none"> <li>■ water to external paintwork, treated surfaces or finishes, if that is the only damage done to that part of <b>your home</b></li> </ul>
(c) Bursting or leaking of apparatus, tanks or fixed pipes used to hold or carry liquid of any kind.	Damage: <ul style="list-style-type: none"> <li>■ deliberately caused by <b>you</b> or another person with <b>your</b> express or implied consent</li> <li>■ which is the result of a gradual process</li> <li>■ caused by design or installation flaws or omissions or by breach of construction or technical regulations or requirements</li> <li>■ which is the result of forgotten open taps in <b>your home</b></li> <li>■ to <b>your</b> in ground swimming pool or spa if the damage is as result of hydrostatic pressure</li> <li>■ from condensation or rising damp</li> <li>■ if <b>your home</b> has not been <b>properly maintained</b></li> <li>■ if <b>your home</b> was <b>unoccupied</b> for 30 days or more when the loss had occurred</li> </ul> Expenses to: <ul style="list-style-type: none"> <li>■ fix the leak and replace the item that caused the damage (but <b>we</b> will cover expenses for locating the leak)</li> <li>■ fix a defect in the design or construction or repair or replace a defective part</li> <li>■ replace undamaged property so as to create a uniform appearance</li> </ul> For example <b>we will only pay the cost of replacing the damaged tiles. If the tiles to match your bathroom walls or floor are not readily available, replacement of undamaged tiles are at your cost.</b>
(d) Earthquake All destruction or damage occurring within a period of 72 hours of the earthquake is regarded as the one insured event.	An <b>excess</b> of 2% of the <b>sum insured</b> of the home or BGN 100 whichever is higher.
(e) Flood All destruction or damage occurring within a period of 72 hours of the flood is regarded as the one insured event.	<ul style="list-style-type: none"> <li>■ loss or damage caused by seas or tidal wave</li> <li>■ water escaping from an irrigation canal</li> </ul>
(f) Malicious act	Loss or damage caused by: <ul style="list-style-type: none"> <li>■ <b>you</b> or tenants</li> <li>■ a person who was in <b>your home</b> or at the <b>site</b> with <b>your</b> consent, with the consent of a person who lives in <b>your home</b>, or a person who with <b>your</b> consent is in temporary possession of <b>your home</b></li> <li>■ <b>malicious acts</b> if <b>your home</b> was <b>unoccupied</b> at the time of the loss and had been <b>unoccupied</b> for 30 days or more</li> </ul>
(g) Impact by: <ul style="list-style-type: none"> <li>■ a vehicle, an aircraft or a waterborne craft</li> <li>■ space debris or debris from an aircraft, rocket or satellite</li> <li>■ an animal</li> <li>■ a falling tree or part of a tree</li> <li>■ a mast or a television or radio aerial that has broken or collapsed</li> </ul>	Loss or damage caused by: <ul style="list-style-type: none"> <li>■ an animal kept at the <b>site</b> or under the control of the insured;</li> <li>■ felling or lopping trees at the <b>site</b>;</li> <li>■ rodents, vermin or moth, wildlife, birds or insects gnawing, chewing, pecking, clawing, scratching or in any way polluting or contaminating <b>your home</b>.</li> </ul> For a television, radio or satellite aerial or the fittings or mast which caused the damage.
(h) Breakage of any glass permanently fixed to a building	Loss or damage: <ul style="list-style-type: none"> <li>■ to any property other than the broken glass (except for window tinting or shatter-proofing)</li> <li>■ to any item that is chipped or scratched prior to the breakage</li> <li>■ to any item where the only damage is chipping or scratching or the breakage does not extend through the entire thickness</li> </ul> More than BGN 1,000 per occurrence and in aggregate for the <b>policy</b> duration unless otherwise noted on the <b>policy</b> .

**How we will pay**

**When an insured event** causes loss or damage to **your** home **we** will at **our** option:

- repair or rebuild **your** home at the **site**, or pay for the reasonable cost of repairing or rebuilding **your** home at the **site**:
  - to its condition substantially the same but not better or more extensive than when new; or
  - to its condition substantially the same but not better or more extensive than when last renovated, altered or restored; or
- pay up to the **sum insured** shown on **your policy**, **provided, in the event we** choose to pay the reasonable **replacement cost** of the home, **we** will deduct an allowance for any **wear and tear** or depreciation, if the home is not in a good state of repair.

Notwithstanding anything to the contrary provided for in these **general terms and conditions**, the total amount **we** will pay under this Section will not exceed the **sum insured** shown on the **policy**.

If **your** home is damaged beyond economic repair, **we** will pay no more than the reasonable cost of rebuilding when new or when last renovated, altered or restored, even if **you** have insured for an amount greater than the reasonable cost of rebuilding when new. When **we** pay **your** claim for **your** home being damaged beyond economic repair, the **policy** is exhausted and comes to an end.

If **your** home is damaged beyond economic repair and **you** do not commence rebuilding within 6 months of the damage occurring, (or any other period which **we** agree with **you** in writing) **you** may have to pay any increase in cost caused by **your** delay. The limit of **our** liability in respect of each outbuilding (garden shed, garage etc.) is up to BGN 500, unless **we** specifically say otherwise in the **policy**.

If a part of the home is damaged by an **insured event** and **we** agree to pay **your** claim, **we** pay only for the part or parts of the home that actually sustained damage. **We do not pay or replace any undamaged materials.**

However, if:

- it is impossible to acquire new material to replace the damaged material that reasonably matches the undamaged portion to a similar extent as immediately prior to the damage occurring, and
  - the amount of damaged material that cannot be matched to the undamaged material is more than 50% of the total material that would have to be replaced if all the matching damaged and undamaged material was replaced,
- then **we** will replace both damaged and undamaged material.

*Example 1*

*There are 300 matching white, wall tiles in the bathroom. As a result of a burst of pipe, 8 bathroom wall tiles are damaged. **We** would pay only the reasonable cost to repair or replace the 8 damaged tiles.*

*Example 2*

*There are 300 superseded, matching, wall tiles in the bathroom. As a result of a burst of pipe, 190 wall tiles are damaged. It is impossible to locate tiles that reasonably match the remaining 110 tiles. Over 50% of the matching wall tiles have been damaged. Therefore, **we** would pay the reasonable cost to repair or replace all 300 tiles (190 damaged and 110 undamaged). **We** would be entitled to keep the 110 undamaged tiles by way of salvage. **We** would not pay to replace any tiles located in a room other than where the loss or damage occurred.*

**Additional Benefits to Home Insurance**

**We** give **you** the following additional benefits. For any additional benefits to be payable, **you** must suffer or incur the relevant loss or damage of home during the period of insurance.

**We** pay additional benefit as part of the **sum insured** for the home:

**(a) Fees**

If the **policy** insures **your** home, and

- it is damaged as a result of an **insured event**, and
- **we** agree to pay a claim,

**we** pay any reasonable fees which **we** have approved and which are incurred directly in relation to repair or rebuilding of **your** home, but not more than 1% of the **sum insured**.

**(b) Removal of debris**

If the **policy** insures **your** home, and

- it is damaged as a result of an **insured event**, and
- **we** agree to pay a claim,

**we** pay the reasonable costs of demolition and removal of debris from the **site** to the nearest authorised facility, but not more than 2% of the **sum insured**.

**(c) Replacement of locks and keys**

If the **policy** insures **your** home, **we** pay up to BGN 200 to replace/alter locks or keys, if as a direct result of **malicious acts** or burglary covered by the **policy**:

- locks to **your** home are damaged, or
- keys to **your** home are stolen.

**(d) Automatic reinstatement of sum insured**

Following payment of a claim other than a claim for total loss the **sum insured** will be reinstated without additional payment, unless otherwise stated in the **policy**.

**3.2. Cover for your contents**

**Your policy** indicates whether **your** contents are insured and the **sum insured**.

What 'contents' means

**'Contents' means, the items set out below, while they are in your** home, and which belong to **you**, or for whose loss or damage **you** are legally liable. Contents are:

- all furniture, household goods and **personal belongings**, including carpets, internal blinds and curtain, whether fixed or not;
- motorised wheelchairs and garden equipment if they do not require registration;
- swimming pool that is not underground, swimming pool covers and accessories;
- if **you** are a tenant, landlord's **fixtures** and fittings for which **you** are legally liable and **fixtures** and fittings installed by **you** for **your** own use.

What 'contents' does not mean

'Contents' does not include:

- cash, collections of any kind or collectibles, negotiables, financial transaction cards and documents;
- fish, birds or animals of any description;
- trees, shrubs and any plant life including grass or lawns;
- any property:
  - illegally in **your** possession;
  - stored in a dangerous or illegal way;
- any equipment connected with growing or creating any illegal substance;
- commercial or retail trade stock;
- property used in connection with a profession, trade or business, or otherwise for reward;
- motor vehicles and motorcycles including accessories and spare parts whether fitted to the vehicle or not; power craft or watercraft, any aircraft or aerial devices;
- items being cleaned, repaired, restored or located for any other reason away from the **site**;
- items stored in the **open air** (including terrace, or balcony);
- **your** home or any part of **your** home.

**Sum Insured and Excess**

At all times the **sum insured** must be adequate to cover the replacement cost of each item and all contents (including all high-risk items) as when new. If at the time of loss **your sum insured** is lower than the actual cost of contents when new, **your** claim will be settled on a proportional basis.

*For example, if the **sum insured** is 80% of actual cost of contents when new, **we** will pay only 80% of **your** claim.*

**We** do not cover the first 100 BGN of each claim in respect of loss or damage to contents, except if otherwise stated in the **policy**.

**What you are insured against, and what you are NOT**

You are insured for loss or damage to **your** contents caused directly by any of the 'insured events' set out in the left column of the following table which occur suddenly and accidentally during the period of insurance, at the **site**, except to the extent indicated in the right column of the table.

There are also some limits and exclusions described under 'How we will pay' and 'When **you** are not covered – General Exclusions', which **you** must read.

You are insured against loss or damage caused directly by the following insured events	But not
(a) Fire or explosion; Lightning or thunderbolt	Loss or damage: <ul style="list-style-type: none"> <li>■ to any item caused by scorching, melting, or charring without flames</li> <li>■ to a heat resistant item when the fire only caused damage to that item</li> <li>■ to the item that exploded</li> </ul> For example we will not pay for a chimney, fireplace or oven, if it is the only item damaged by the fire, and we will not pay for an exploded heating boiler or a hot water system. <p>Loss or damage caused by fluctuations in the power supply if there is no visible evidence of damage caused by the lightning strike, or if the damage was caused by power surge or as a result of interruption to <b>your</b> normal power supply. For example, when there has been a lightning strike there will be visible damage to a power line or pole nearby <b>your</b> home. Visible damage will also be evident to the appliance, which is not working and will include scorch or burn marks to the electrical circuitry consistent with a lightning strike nearby <b>your</b> home.</p>
(b) Storm (including cyclone or hurricane) and/or rain, which may be accompanied by snow, sleet, hail, or flash flood	Loss or damage caused by: <ul style="list-style-type: none"> <li>■ water seeping or otherwise entering <b>your</b> home unless:                             <ul style="list-style-type: none"> <li>- the water entered through an opening in the wall or roof that had been made directly by the storm or rain, or as a direct result of it,</li> <li>- due to <b>flash flood</b></li> </ul> </li> <li>■ mildew, mould and other microorganisms;</li> <li>■ atmospheric or climatic conditions other than storm</li> <li>■ water entering the home through an opening made for the purpose of alterations, additions, renovations or repair;</li> <li>■ any residue deposited by the rain on <b>your</b> home</li> <li>■ natural accumulation of snow and ice or by water penetrating or entering <b>your</b> home because it has not been <b>properly maintained</b>, or as a result of a design fault, structural defect or because of defective workmanship</li> </ul>
(c) Bursting or leaking of apparatus, tanks or fixed pipes used to hold or carry liquid of any kind.	Damage: <ul style="list-style-type: none"> <li>■ deliberately caused by <b>you</b> or another person with <b>your</b> express or implied consent</li> <li>■ which is the result of a gradual process</li> <li>■ caused by design or installation flaws or omissions or by breach of construction or technical regulations or requirements</li> <li>■ caused by wear and tear, exhaustion of material, corrosion, oxidation, deterioration of material due to use in normal atmospheric conditions</li> <li>■ which is the result of forgotten open taps in <b>your</b> home</li> <li>■ to <b>your</b> in ground swimming pool or spa if the damage is as result of hydrostatic pressure</li> <li>■ from condensation or rising damp</li> <li>■ if <b>your</b> home has not been <b>properly maintained</b></li> <li>■ if <b>your</b> home was <b>unoccupied</b> for 30 days or more when the loss had occurred.</li> </ul> Expenses to: <ul style="list-style-type: none"> <li>■ fix the leak and replace the item that caused the damage (but we will cover expenses for locating the leak)</li> </ul>

	<ul style="list-style-type: none"> <li>■ fix a defect in the design or construction or repair or replace a defective part;</li> <li>■ replace undamaged property so as to create a uniform appearance</li> </ul> For example we will only pay the cost of replacing the damaged tiles. If the tiles to match <b>your</b> bathroom walls or floor are not readily available, replacement of undamaged tiles are at <b>your</b> cost.
(d) Earthquake All destruction or damage occurring within a period of 72 hours of the earthquake is regarded as the one insured event.	An excess of 2% of the <b>sum insured</b> of the contents or BGN 100 whichever is higher.
(e) Flood All destruction or damage occurring within a period of 72 hours of the flood is regarded as the one insured event.	Loss or damage caused by: <ul style="list-style-type: none"> <li>■ seas or tidal wave</li> <li>■ water escaping from an irrigation canal</li> </ul>
(f) Malicious act	Loss or damage intentionally caused by: <ul style="list-style-type: none"> <li>■ <b>you</b> or tenants</li> <li>■ a person who was in <b>your</b> home or at the <b>site</b> with <b>your</b> consent, with the consent of a person who lives in <b>your</b> home, or a person who with <b>your</b> consent is in temporary possession of <b>your</b> home</li> <li>■ <b>malicious acts</b> if <b>your</b> home was <b>unoccupied</b> at the time of the loss and had been <b>unoccupied</b> for 30 days or more</li> </ul>
(g) Impact by: <ul style="list-style-type: none"> <li>■ a vehicle, an aircraft or a waterborne craft</li> <li>■ space debris or debris from an aircraft, rocket or satellite</li> <li>■ an animal</li> <li>■ a falling tree or part of a tree</li> <li>■ a mast or a television or radio aerial that has broken or collapsed</li> </ul>	Loss or damage caused by: <ul style="list-style-type: none"> <li>■ an animal kept at the <b>site</b> or under the control of the insured</li> <li>■ felling or lopping trees at the <b>site</b></li> <li>■ rodents, vermin or moth, wildlife, birds or insects gnawing, chewing, pecking, clawing, scratching or in any way polluting or contaminating <b>your</b> contents</li> </ul>
(h) Burglary	Loss or damage caused by burglary: <ul style="list-style-type: none"> <li>■ if there is no evidence that <b>your</b> home has been entered forcibly and violently, where 'forcible and violent entry' does not include:                             <ul style="list-style-type: none"> <li>- entry through a door or a window that has been left open or unlocked,</li> <li>- where the home has been entered with the consent of the owner or an occupier of the home.</li> </ul> </li> <li>■ by any person who lives in the home</li> <li>■ if <b>your</b> home was <b>unoccupied</b> at the time of the burglary and had been <b>unoccupied</b> for 30 consecutive days or more</li> </ul>

**How we will pay**

When an insured event causes loss or damage to **your** contents we will at our option:

- repair or pay for the reasonable cost of repairing the item, or
- replace or pay the reasonable cost of replacing the item to a condition substantially the same but not better or more extensive than when new, or
- pay up to the **sum insured** shown on **your** policy.

If **your** contents are damaged beyond economic repair, we will pay no more than the reasonable cost of replacement when new, as specified above, even if **you** have insured for an amount greater than such reasonable cost of replacement. When we pay **your** claim for all **your** contents being damaged beyond economic repair, the **policy** is exhausted and comes to an end. Notwithstanding anything to the contrary provided for in these **general terms**

and conditions, we will not pay more than the total contents sum insured for all contents lost or damaged.

If we agree to pay a claim where any item of household linen, or personal belongings are destroyed or damaged, we pay the cost to replace it with the nearest equivalent one less a deduction for wear and tear or depreciation.

If we agree to pay a claim where film, photos, home movies or home videos or any similar recorded material is destroyed, we pay for the replacement with new, blank film, videos or similar. We do not pay to reconstruct recorded material.

If we agree to pay a claim where software is lost, damaged or destroyed, we pay the cost to replace it with the nearest equivalent new software. We do not pay for any software that was acquired by you at no cost.

For wall coverings, and carpets and other floor coverings, curtains and blinds, we pay only for items in the room, hall or passage where the damage occurred.

If any item lost or damaged is part of a pair or set, we pay no more than the actual value of the item. We do not give any allowance for any special value it may have as forming part of a pair or set, or for any reduction in value of the remaining part or parts. Sport equipment that is designed to compliment another item of sport equipment, and neither item can be used without the other, is not considered as a pair or set.

Because we consider the items listed below high-risk items, there are limits on what we will pay. If a claim is made for a high-risk item, then unless the item is specifically shown on the policy, we will pay no more than the limit in the table below.

You may obtain higher limits by having any of these items specified in your policy. We will pay up to the amount specified for each item.

High risk items	Maximum Limit
Computer equipment	– 10% of sum insured for contents or in total BGN 3,000 whichever is less
Entertainment equipment	– 15 % of sum insured for contents or in total BGN 10,000 whichever is less
Photographic equipment	– 5 % of sum insured for contents or in total BGN 1,000 whichever is less
Sport equipment	BGN 500 per item and in total BGN 1,000
Bicycle and/or firearm	BGN 500 per item and in total BGN 1,000
Works of art	BGN 100 per item and in total BGN 300
Jewellery, gold or silver articles, furs, watches	BGN 100 per item and in total BGN 300
Personal belongings	BGN 100 per item and in total BGN 300

Note: Where a high-risk item could be classified under more than one of the above maximum limits, the lower or lowest limit applies.

**Additional Benefits to Contents Insurance**

We pay additional benefit as part of the sum insured for contents.

**(a) Change of site**

If the policy insures your contents and you are moving into a new home within the territory of Bulgaria, we insure your contents at both sites for a maximum of 15 days. The maximum we pay at each site will be the proportion of the sum insured that the value of the contents at that site bears to the total value of the contents at both sites.

You must tell us of your new address within 5 days of first moving to it. If you wish to insure your contents at your new address after that 15 days we must agree to insure them at that address. You must pay us any additional premium we ask for and comply with any conditions we impose.

**(b) Contents being conveyed to your new residence**

This additional benefit applies if the policy insures your contents in your primary residence.

We insure your contents if they are damaged while they are in a vehicle being used to convey your contents. The damage must occur directly as a result of:

- fire on the conveying vehicle;
- collision and/or overturning of the conveying vehicle while your contents are in transit by road to your new, principal place of residence within Bulgaria.

We do not insure your contents being conveyed:

- for removal to any residence other than one intended to be occupied by you as your principal residence;
- for damage to china, glass, earthenware or any other item of a brittle nature;
- for damage caused by scratching, denting, bruising or chipping;
- for more than BGN 2,000 in any one period of insurance;
- outside Bulgaria.

**(c) Replacement of documentation**

If the policy insures your contents we will pay up to BGN 100 for the reasonable costs to replace the following documentation directly damaged by an insured event that has caused a claim that we agreed to pay:

- title deeds;
- birth certificates;
- a marriage certificate;
- passports;
- driver's licenses.

**(d) Automatic reinstatement of sum insured**

Following payment of a claim other than a claim for total loss the sum insured will be reinstated without additional payment, unless otherwise stated in the policy.

**3.3. Cover for your legal liability**

**What you are covered against**

If the policy covers your home or your contents, you may choose to insure against any claim for compensation or expenses which you become legally liable to pay for:

- bodily injury to any person;
- property damage, resulting from an occurrence during the period of insurance arising out of the ownership or occupancy of the home, neither expected nor intended from your standpoint, including continuous or repeated exposure to substantially the same general conditions. We regard all bodily injury and/or property damage arising from one original source or cause as one occurrence.

We include land, trees, shrubs and other plant life on the site as part of your home.

The limit of legal liability shown in your policy indicates whether we cover your legal liability.

Within the limit of liability we shall cover your legal expenses provided the amount of such expenses has been approved by us in writing prior to being made by you, the lawsuit is conducted before a Bulgarian court and the subject of the lawsuit is your liability covered under the policy.

We do not cover the first 100 BGN of each claim, except if otherwise stated in the policy.

We do not pay more than the limit shown on the policy in total under all policies we have issued to you which cover the same liability.

**What you are not covered against**

We do not insure you against liability arising directly or indirectly, out of or in connection with:

- the actual or alleged use or presence of asbestos;
- fines, penalties, or any other liability, having other than compensatory character;
- any agreement, unless liability would have attached to you if that agreement did not exist;
- bodily injury to you or to a spouse, direct or collateral relative of yours or any person who normally lives with you, provided in

this exclusion **we** consider that a person normally lives with **you**, if that person:

- has used **your** home, or
- is living with **you** and intends or intended to use **your home as their primary residence for 60 days or more out of any 90 consecutive day period (irrespective of the commencement date of the policy)** during which there is an occurrence;
  - **bodily injury** to anyone employed by **you**;
  - damage to property that is owned by **you** or is in **your** possession, custody or control;
  - any workers compensation legislation;
  - the use of **your** home for other than residential purposes;
  - the conduct of any activity carried on by **you** for reward except for letting the home for domestic purposes;
  - the ownership, maintenance, operation or use by **you** or on **your** behalf of any aircraft, or the ownership, operation or use by **you** or on **your** behalf of any watercraft exceeding 10 meters in length;
  - **property damage** or **bodily injury** arising out of the ownership, possession, operation, or use by **you** or on **your** behalf of any vehicle:
    - which is registered or which is required under any legislation to be registered, or
    - in respect of which compulsory liability insurance or statutory indemnity is required by virtue of any legislation (whether or not that insurance is effected);
  - vibration or the weakening of, removal of or interference with support to land, buildings or other property;
  - building work, construction or demolition of a building, including the home;
  - the ownership of land, buildings or structures other than the home at the **site**;
  - loss, damage or injury intentionally caused by **you** or a person acting with **your** consent;
  - any act or omission that is knowingly illegal, dishonest, fraudulent, willful, malicious or done with reckless disregard for their consequences by **you** or a person acting with **your** consent;
  - consequential loss.

#### **How we will pay**

**At any time at our option we** can pay to **you** or on **your** behalf, for all claims made against **you** for any one occurrence:

- the limit of liability, after deducting any amounts already paid, or
- any lower sum for which the claim may be settled.

If **we** do so **we** will not be liable to pay any further amounts under this claim.

## **IV. When you are not covered – General exclusions applying to all sections of the policy**

### **4.1. War**

These **general terms and conditions** exclude loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war;
- mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military, or usurped power.

These **general terms and conditions** also exclude loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any of the above.

### **4.2. Terrorism**

These **general terms and conditions** exclude loss, damage, destruction, death, injury, illness, liability, cost or expense of

any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any act of terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with political, religious, ideological, ethnic or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

These **general terms and conditions** also exclude loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

### **4.3. Hazardous substances**

These **general terms and conditions** exclude loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from combustion of nuclear fuel;
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other assembly or nuclear component thereof;
- any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub – clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
- any chemical, biological, bio – chemical, or electromagnetic weapon.

These **general terms and conditions** also exclude loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any of the above.

### **4.4. Microorganisms**

These **general terms and conditions** exclude loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with mold, mildew, fungus, spores or other micro-organism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is:

- any physical loss or damage to property;
- any insured peril or cause, whether or not contributing concurrently or in any sequence;
- any loss of use, occupancy, or functionality; or
- any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

### **4.5. Electronic data**

These **general terms and conditions** exclude loss, damage, destruction, distortion, erasure, corruption or alteration of

electronic data from any cause whatsoever (including but not limited to computer virus) or loss of use, reduction in functionality, cost, expense or whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to this loss.

For the purposes of this exclusion:

„Electronic data” means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

„Computer virus” means a set of corrupting, harmful or otherwise unauthorized instructions or code, programmatic or otherwise, that propagate them through the computer system or network of whatsoever nature. Computer virus includes but is not limited to „Trojan horses”, „worms” and „time or logic bombs”.

However, in the event that a fire or explosion results from any of the matters described above in the present paragraph, the policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the period of insurance to property insured by the policy directly caused by such fire or explosion.

Should electronic data processing media insured by the policy suffer physical loss or damage covered by the policy, then the basis of valuation shall be the cost of the blank media plus the cost of copying the electronic data from back – up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such electronic data. If the media is not repaired or restored the basis of valuation shall be the cost of the blank media. However the policy does not insure any amount pertaining to the value of such electronic data to you or any other party, even if such electronic data cannot be recreated, gathered or assembled.

#### 4.6. Intentional acts

These general terms and conditions exclude loss or damage intentionally caused by you or a person acting with your consent.

#### 4.7. Financial or consequential loss

These general terms and conditions exclude any financial or consequential loss.

#### 4.8. Other exclusions

These general terms and conditions exclude loss or damage resulting from or caused by:

- the lawful seizure, confiscation, nationalisation or requisition of the property insured;
- destruction of or damage to property by any government or public or local authority;
- the deliberate application of heat;
- inherent defects, structural defects, faulty workmanship, faulty design or any gradual process;
- wear, tear, rust, corrosion, depreciation or gradual deterioration;
- settling, shrinkage or expansion in buildings, foundations, walls or pavements;
- the removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair;
- any process of cleaning involving the use of chemicals;
- rodents, vermin, and moth;
- erosion, subsidence, landslide or earth movement other than as a direct result of one of the insured events refer to items b, d & e under 'What you are insured against, and what you are not' and occurring no more than 72 hours after the event;
- the action of the sea, high water, tidal wave, tsunami.

## V. Claims

### 5.1. What you must do

If an event happens which may give rise to a claim you must:

- take all reasonable steps to reduce damage, loss or liability and to prevent further damage, loss or liability;
- preserve the home and/or contents in their condition after the occurrence subject only to emergency repairs expressly authorized by us;
- notify the police immediately if any of your property is lost, stolen, or maliciously damaged;
- notify us as soon as possible but no later than:
  - 24 hours from the occurrence or circumstance, in case of burglary; and
  - 3 working days from the occurrence or circumstance, in all other cases.

You may have to contribute towards your claim if your late notification results in higher costs for us or harms our investigation.

### 5.2. What you must not do

You must not:

- authorise repairs to or arrange replacement of any of the property insured in connection with any claim without our consent, other than emergency repairs necessary to prevent further loss. If we agree to pay your claim, we will pay for these repairs, but you must retain all receipts.
- admit liability if an accident occurs which is likely to result in someone claiming against you.
- make any admission of guilt or promise or offer any payment for the settlement of a claim against you, unless we first agree in writing. This applies to you and any other person making a claim under the policy.
- waive any rights of recovery.

### 5.3. How to make a claim

When you make a claim you must:

- contact us by phone as soon as practicable and be ready to provide details of the occurrence to our operator;
- if we require so, complete the claim form we may send you;
- return the completed claim form promptly together with all letters, documents, valuations, receipts or evidence of ownership that you have been asked to provide;
- if we require so, provide a written statement under oath;
- if we require so, allow us to interview you about the circumstances of the claim;
- allow us to inspect your home and/or contents and take possession of any damaged property to deal with it in a reasonable way;
- provide us with copies of every communication received in relation to the incident including from a person who is making a claim against you;
- supply us with any information we require to settle or defend the claim;
- notify us of any other insurance covering the same loss, damage or liability;
- co-operate with us fully in any action we take if we have a right to recover any money payable under the policy from any other person.

### 5.4. Nomination of a Repairer

We have the right to nominate the repairer or supplier to be used in any repair works associated with the settlement of a claim.

### 5.5. How a claim affects your sum insured

If we pay a claim:

- for the total sum insured, your policy with us ends;
- for less than the total sum insured, your sum insured remains the same as it was before the claim.

For example, if your sum insured is BGN 100,000 and we pay a claim for BGN15,000 for a fire in your kitchen, your sum insured remains at BGN 100,000.

### 5.6. What can affect a claim

**We** may refuse to pay a claim if **you** are in breach of **your** duty of disclosure (please refer to the „Duty of Disclosure” Section above) or any of the conditions of the **policy**, including any endorsements noted on or attached to the **policy**.

**We** pay only once for loss or damage from the same event covered by the **policy** even if it is covered under more than one section of the **policy**.

**We** may refuse to pay or to reduce the amount of a claim if:

- it is in any way fraudulent, or
- any fraudulent means or devices are used by **you** or anyone acting on **your** behalf to obtain any benefits under the **policy**.

### 5.7. Police informed

**We** will also report any suspected fraudulent act to the Police for further investigation.

### 5.8. What we do

**We** may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If **we** do this **we** will do it in **your** name. **We** have full discretion in the conduct of any legal proceedings and in the settlement of any claim. **You** must co-operate by giving **us** any statements, documents or assistance **we** require. This may include giving evidence in any legal proceedings.

## VI. General conditions

### 6.1. How you may change your policy

If **you** want to make a change to the **policy**, the change becomes effective when:

- **we** agree to it, and
- **we** give **you** a signed endorsement detailing the change.

### 6.2. Joint Insureds

Where more than one party comprises the insured each of the parties will be considered as a separate and distinct unit and the words „**you**”, „**your**” or „insured” will be considered as applying to each party in the same manner as if a separate **policy** had been issued to each of them, provided that nothing in this clause will result in an increase of **our** limit of liability in respect of any occurrence or period of insurance.

### 6.3. How you may cancel the policy

**You** may cancel the **policy** at any time by telling **us** in writing that **you** want to cancel it.

Where ‘**you**’ involves more than one person, **we** will only cancel the **policy** when a written agreement to cancel the **policy** is received from all persons named as the insured.

**We** will refund to **you** the proportion of the premium for the remaining **period of insurance** or 90% of annual premium whichever is less.

### 6.4. How we may cancel the policy

**We** may cancel the **policy** in any of the circumstances permitted by law by informing **you** in writing.

**We** will give **you** this notice in person or send it to **your** address last known to **us**.

**We** will refund to **you** the proportion of the premium for the remaining period of insurance.

### 6.5. When does the Policy automatically lose effect

If **we** have agreed on a deferred payment of the insurance premium and **you** fail to pay any part thereof on or before the respective due date, the **policy** shall be automatically terminated at the end of the 15<sup>th</sup> day following such due date.

### 6.6. When you must notify us

**You** must notify **us** immediately, but not later than 5 working days, in writing, if circumstances occur, or if changes or altera-

tions are intended or made which increase the risk of loss, damage or injury.

**You** must notify **us** immediately, but not later than 3 working days (or 24 hours in case of a burglary), in writing, of:

- every occurrence, claim writ, summons, proceeding, impending prosecution, and inquest together with all relevant information which may result in a claim under the **policy**, whether or not **you** believe any claim amount might fall below the **excess**;
- every change in the facts or circumstances represented by **you** in the sections of **your policy** headed „Home Details” and „Representations”.

### 6.7. How do we notify you

Any notice **we** give **you** will be in writing, and it will be effective:

- if it is delivered to **you** personally, or
- if it is delivered or posted to **your** address last known to **us**.

It is important for **you** to tell **us** of any change of address as soon as possible.

### 6.8. Unoccupancy

If **your** home is **unoccupied** for more than 30 consecutive days, **you** must tell **us** and obtain **our** written agreement for full cover to continue.

If **you** do not do so, **your** home and contents will not be covered for **malicious acts**, burglary and burst of pipes for the period in excess of 30 consecutive days during which the home has been left **unoccupied**.

The period of 30 consecutive days is calculated from the date when the home was last occupied regardless of the commencement or renewal date of the **policy**.

The above limitation of cover does not apply in case **your** home is supplied with a professionally installed monitored alarm system or a 24-hour security service.

### 6.9. Salvage

**We** are entitled to obtain and retain any items or materials that are salvaged or recovered after **you** make, and **we** agree, to pay a claim by replacing or paying to replace any items or materials.

**We** may sell the items or materials and keep the proceeds. **We** may choose to sell the items or materials to **you**, if **you** agree to pay the market price for the items or materials.

### 6.10. Due care

**You** must take all necessary precautions to prevent **property damage** and **bodily injury**, and comply all statutory obligations or regulations imposed by all relevant public authorities for the:

- safety of persons or property;
- disposal of waste products;
- handling, storage or use of flammable liquids or substances, gases or toxic chemicals.

### 6.11. Inspection of property

**We** will be permitted but not obliged to inspect any home at any reasonable time. Neither **our** right to inspect nor **our** failure to inspect nor the making of any inspection nor any report of an inspection may be used by **you** or others in an action or proceeding involving **us**.

### 6.12. Joined party to court process

If any court action is initiated against **you** seeking enforcement of **your** liability, which may be covered by the **policy**, **you** must require that **we** be constituted as joined party to the court proceedings.

### 6.13. Jurisdiction and applicable law

All disputes, controversies or claims arising out of or related to the **policy**, which cannot be settled amicably, shall be resolved by the competent court in the city of Sofia.

The **policy** is subject to the laws of the Republic of Bulgaria.



**QBE INSURANCE (EUROPE)  
LIMITED – SOFIA BRANCH**

26-28-30 Bacho Kiro Str.  
1000 Sofia, Bulgaria

Tel.: (+359 2) 930 19 19  
Fax: (+359 2) 930 19 20  
E-mail: [office@qbe-sofia.bg](mailto:office@qbe-sofia.bg)  
[www.qbe-bulgaria.com](http://www.qbe-bulgaria.com)