

**ADIRA SILVER**  
**APARTMENT AND CONTENTS INSURANCE**  
**November 2023 Edition**

**TRANSLATION**

**This document has been made only for your convenience  
In the case of any discrepancy the only binding document is the Hebrew version of  
the original policy.**

**CONTENTS**

PREAMBLE ..... 3

DEFINITIONS..... 4

CHAPTER A – APARTMENT INSURANCE ..... 5

CHAPTER A1 – ADDITIONAL SUM INSURED INSURANCE FOR A CONDOMINIUM ..... 14

CHAPTER A2 – EXTENDED INSURANCE IN REGARD TO AN ADDITIONAL SUM INSURED FOR A  
CONDOMINIUM ..... 15

CHAPTER B – CONTENTS INSURANCE ..... 16

CHAPTER C – THIRD PARTY LIABILITY INSURANCE..... 28

CHAPTER D - TERROR DAMAGE INSURANCE  
(as part of the hostilities and terror attack exclusion)..... 32

CHAPTER E – THE EMPLOYER’S LIABILITY VIS-À-VIS HOUSEHOLD EMPLOYEES..... 34

CHAPTER F – GENERAL CONDITIONS FOR ALL THE POLICY CHAPTERS..... 36

## **PREAMBLE**

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

And

The Insured whose name is noted in the specification (hereinafter the “**Insured**”)

In terms of which the Insurer agrees to pay the Insured insurance benefits in regard to insured events occurring in the course of the insurance period, within the limits of the sums insured, in consideration of the insurance fees.

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

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

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

## DEFINITIONS

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

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

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

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

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

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

## **CHAPTER A – APARTMENT INSURANCE**

If the schedule explicitly notes that the cover under Chapter A – Apartment Insurance is valid, the following conditions shall apply:

### **1. The Insured event**

The insured event is loss or damage sustained by the apartment in the course of the insurance period as a result of one or more of the following risks:

- 1.1 Fire, lightning, thunder and smoke constituting an extraordinary and non-permanent phenomenon.
- 1.2 Explosion or combustion.
- 1.3 Winds exceeding 30 knots, including rain falling at the same time, snow or hail, except for leakage of rainwater through walls or ceilings or absorption thereof.
- 1.4 Falling aircraft, falling objects from aircraft, supersonic vibration caused by aircraft.
- 1.5 Contact or collision of a vehicle with the apartment.
- 1.6 Malicious acts, excluding:
  - 1.6.1 Malicious acts perpetrated while the apartment is unoccupied.
  - 1.6.2 Malicious acts perpetrated by the insured or his family members, or with their consent.
  - 1.6.3 Malicious acts perpetrated by persons residing in the apartment with the insured's permission or consent.
- 1.7 Theft, burglary, break-n, or attempt thereat, except when the apartment is unoccupied.
- 1.8 Prohibited assembly and disturbance.
- 1.9 Earthquake including a tsunami caused by an earthquake, provided that the insured did not waive cover in regard to this risk in the manner noted in Regulation 5a of the Insurance Business Supervision Regulations (apartment and contents insurance contact conditions) 5746 – 1986. In regard to the deductible in the event of damage as a result of this risk - earthquakes occurring over the course of 72 consecutive hours after the first earthquake occurrence shall be deemed a single event.
- 1.10 Flooding or inundation by an external water source except a tsunami as noted in paragraph 1.9.

During the insurance proposal stage, the insured may waive the cover noted in paragraph 1.7 – by way of an express notice which shall be documented by the insurer and will appear in the specification.

**2. Uncovered risks**

This Chapter shall not cover loss or damage resulting from one or more of the following causes:

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

**3. Calculation of compensation**

- 3.1 The insurance benefits due to the insured under this chapter shall be calculated and paid according to the value of the loss or damage sustained by the apartment, however, the payment shall not exceed the sum insured appearing in the specification as the sum insured for the apartment, all subject to whatsoever appearing in paragraph 38 hereunder.
- 3.2 The insurance benefits shall be calculated in a manner which will – insofar as possible - place the insured in a position in which it would have been had the insured event not occurred.
- 3.3 The insurance benefits payable under this chapter shall also include, subject to the provisions of subparagraph 3.1:
  - 3.3.1 Expenses for services rendered by architects, surveyors, construction consultants, engineers and contractors, as well as legal expenses incurred for the repair, renovation or rebuilding of the apartment or part thereof, provided that advance notice is given to the insurer.
  - 3.3.2 Expenses for removal of debris, cleaning the apartment, whitewashing and reconnection to the electricity grid, telephone, water, gas and sewage systems.
  - 3.3.3 Compensation for loss of income from the apartment lease fees or expenses for lease fees for a residence for the insured and his family members, as long as the apartment is unfit for living, as determined by a licensed engineer, as defined in the Engineers and Architects Law, 5718-1958 (hereinafter - the Engineers and Architects Law). The compensation under this paragraph shall be calculated according to the customary lease fees for an apartment similar to the apartment insured under this policy, for a maximum period of 12 months, commencing on the date of the insured event, or a maximum sum not exceeding 15% of the apartment sum insured – the lower of the two - even if the total compensation exceeds the apartment sum insured. Payment for lease fees expenses under this paragraph is conditional upon reasonable

proof that the lease fees for an alternative residence have indeed actually been incurred.

**4. Non-applicability of underinsurance**

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

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

5.1 In the event that the specification expressly notes that an extension has been added to this chapter in regard to the risks of water and other liquids, the extension shall include loss or damage first discovered in the course of the insurance period, caused to the apartment as a result of escaping or leaking water or any other liquid from the apartment plumbing and heating fixtures or belonging to another property in the condominium, including cleavage, blockage or overflowing of boilers and piping however, excluding the cost of water, and excluding wear and tear, corrosion and rust of the boilers, plumbing and piping facilities themselves. In regard to damage originating from another property in the condominium, the insurer may limit the scope of cover to a number of occurrences however, no less than one occurrence during the insurance period.

5.2 Cover for sealing damages when choosing a plumber on behalf of the insurer

5.2.1 If explicitly stated in the specification that in addition to the risks of water and other liquids cover will be provided for sealing damages, the cover will include handling of moisture damage resulting from water and other liquids, caused to the insured's apartment as defined in the insurance policy, as a result of defective or deficient sealing in the apartment, however, only in the following areas:

5.2.1.1 In bathrooms and toilets, around the bath, basin, sinks and sanitary fixtures.

5.2.1.2 In kitchens, water penetration through the kitchen work surface or inside utility cabinets.

5.2.1.3 Sealing problems in the apartment floors.

5.2.2 The repair shall include:

5.2.2.1 Repair or renewal of the required sealing until full cessation of water penetration, all by means of accepted methods and sealants on the market for these needs.

5.2.2.2 Repair of paint and whitewashing damages to the building.

5.2.3 The services and repairs shall not include:

5.2.3.1 The sanitary fixtures themselves, including sinks, basins, bathtubs, shower cubicles.

5.2.3.2 Flooring tiles including replacement and drying of sand or sesame substrate, parquet, wall-to-wall carpets, various cladding tiles, marble or similar surfaces (work surfaces/ sinks), installed on and/or in the kitchen, bathroom and utility cabinets.

5.2.3.3 Any replacement or installation of bitumen sheets or any other sealant under a floor.

5.2.4 Cover exceptions – this cover shall not apply in regard to:

5.2.4.1 In the event that the lack of sealing or moisture result from absorption of rainwater or any liquids from exterior walls (envelope) and ceilings of the insured apartment including open and closed balconies, including moisture from external windows and doors.

5.2.4.2 To damage caused to the contents of the apartment.

5.2.4.3 In regard to damage to swimming pools and Jacuzzi facilities or damage resulting therefrom.

5.2.5 Limit of liability for the period

The maximum limit of liability under this cover for the entire insurance period as a result of covered occurrences shall not exceed NIS 10,000 (ten thousand shekels).

5.3 Insurance for electric and solar boilers

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

5.3.1 The insured event

Loss or damage caused to boilers for any reason which is not covered under paragraph 1 of Chapter A - The insured event - and subject to the following exclusions.

Regarding this cover, it should be clarified that the cover applies to a domestic water boiler which bears an Israeli Standard Mark (maximum volume not exceeding 200 liters), which is installed in the insured apartment at the address noted in the schedule, which is operated using one of the following heating systems or by means of a system which combines both:

Electric water boiler - which heats water using an electric heating element;

Solar water boiler - which heats water only for the property noted in the specification by means of a system of solar panels. heat receptors.



In order to obviate doubt, it is clarified that any boiler or heating system or other means of heating, including a boiler which constitutes part of a central solar, gas or diesel heating system - which are not included in the aforementioned systems – shall not be covered under this cover.

5.3.2 Deductible - as appearing in the specification.

5.3.3 Indemnification methods

5.3.3.1 The insurer may, at its discretion, choose to indemnify the insured by way of repair by those whose details appear on the schedule or by way of financial indemnification.

5.3.3.2 In the event of loss or damage the insurer shall have discretion in choosing the spare parts or replacement products for the boilers which are lost or damaged, including selection of the manufacturer and manner of installation, provided that the replacement products bear a Standard mark.

5.3.4 Exclusions

This cover shall not apply in regard to:

5.3.4.1 Malicious damage

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

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

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

5.3.4.5 Damage to a central water heating system.

5.3.4.6 The cost of water or any other liquid.

5.3.4.7 Natural damages except for damages covered under paragraphs 1.3 and 1.8.

5.3.5 Limit of liability

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

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

## 6. **Adira Silver extensions to the Apartment Chapter**

6.1 Extension in regard to plants, lawns and irrigation systems

The insurance is extended to cover damage to plants, lawns, trees, shrubs and irrigation systems belonging to the apartment.

- 6.2 Extension in regard to a storeroom and non-fixed parts  
The insurance is extended to cover a storeroom which is not adjacent to the apartment, any pergola, awning, roofing and shading accessories on the insured's premises, which are not permanent parts of the apartment and/or are not permanently affixed thereto.

An insured event relating to paragraphs 6.1 and 6.2 is limited to loss or damage caused as a result of fire, lightning and explosion risks only and the insurer's liability in regard to these paragraphs shall not exceed 2% of the sum insured under Chapter A - Apartment Insurance.

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

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

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

- 7.1.1 A reliable person shall visit the apartment at least once a week.
- 7.1.2 The water and electricity supply to the apartment shall be cut off.
- 7.1.3 The means to mitigate the insurer's risk noted in the specification are in proper working order and activated.

If activation of the risk mitigation means requires the apartment to be connected to the electricity supply, paragraph 7.1.2 above shall relate only to the water supply.

- 7.2 Cover for compensation regarding loss of income from lease fees for an additional period.  
If explicitly noted in the specification, the cover is extended to include compensation for loss of income from lease fees for the apartment or lease fees expenses for a residence for the insured and his family as long as the apartment is unfit for living, as determined by a licensed engineer – as defined in the Engineers and Architects Law - beyond a period of 12 months as stated in paragraph 3 of the policy – Compensation Calculation.

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

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

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

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

- 8.1 The sum insured for the PV facility is as listed in the specification.
- 8.2 This cover shall be granted only for a PV facility with an output power not exceeding 50 kWh.
- 8.3 An "insured event" for the purpose of this cover shall be as defined in Chapter A- paragraph 1, except for the risk of theft as defined in paragraph 1.7.
- 8.4 All the cover exclusions applying under Chapter A – apartment insurance, shall also apply to this cover.
- 8.5 The cover under this paragraph is extended to also include accidental breakdown of the PV facility, provided that the breakdown is the cause why the PV facility cannot supply any energy to the IEC power grid. The cover under this paragraph 8.5 is limited to the sum listed alongside same in the specification.

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

- 8.5.1 Pollution, except pollution caused by one of the risks listed in paragraph 1 above.
- 8.5.2 An inherent vice in the insured property, gradual deterioration, normal wear and tear and depreciation, defective or unsuitable planning, materials or workmanship.
- 8.5.3 Land subsidence under the apartment building or the building infrastructure.
- 8.5.4 Damage caused as a result of a repair or renovation process of the insured property.
- 8.5.5 Corrosion, rust, extreme cold or heat conditions, temperature changes, humidity, mold, rodents, insects or scratches.
- 8.5.6 Mechanical breakdown, improper mechanical or electrical operation unless caused by an accidental reason and due to the risks defined in paragraph 1 above.
- 8.5.7 A facility whose age exceeds 15 years.

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

9. **All-risks insurance cover for the building**

If explicitly stated in the specification, the insurer's liability under this cover shall not exceed 10% or NIS 50,000 – the lower of the two – on a first loss basis, per occurrence and for the entire insurance period, unless otherwise stated in the specification.

The insured event

Accidental, random and unforeseen physical loss or damage to the insured property described in the specification, occurring in the apartment in the course of the insurance period for any reason, except as follows:

- 9.1 The insured event is covered or could be covered in this chapter (apartment insurance).
- 9.2 Direct damages of mechanical breakdown or of electrical or electronic breakdown.

- 9.3 Scratching or cracking of various coatings or damage to the building cladding.
- 9.4 Moths, other insects, worms, rodents, gradual deterioration, wear and tear, moisture, rust and corrosion processes, atmospheric or climatic factors having a gradual effect.
- 9.5 Damage resulting from soil movement and/or subsidence.
- 9.6 Damage resulting from defective planning and/or construction and/or defective workmanship.
- 9.7 Damage due to cleaning, renewal, repair or painting processes.
- 9.8 Consequential damage.

It is hereby clarified that in the event that damage is covered - both in regard to the building and the contents - the insurer's liability shall not exceed 10% of the sum insured for the building and contents, or NIS 50,000 – whichever is higher - for the insurance period.

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

In the event that the specification explicitly notes that the cover under Chapter A1 – Additional Sum Insured Insurance for a Condominium is valid, the following conditions shall apply.

**1. Insured event**

The insured event is damage caused to an apartment in a condominium, which is owned by the insured or held by him under a Lease for Generations, as a result of the earthquake risk as noted in paragraph 1.9 - at a rate no less than 70% of the sum insured for the apartment, as noted in the specification - and according to the determination of a real estate surveyor, as defined in the Real Estate Surveyors' Law 5761-2001 or a licensed engineer, as defined in the Engineers and Architects Law, as the case may be, or if as a result of the damage caused as aforementioned a demolition order is issued in regard to the condominium.

**2. Calculation of compensation**

After the occurrence of an insured event, the insurance benefits due to the insured under this chapter shall be calculated and paid according to the additional sum insured noted in the specification, and all subject to whatsoever appearing in paragraph 38.

**3. Non-application of underinsurance**

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

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

If expressly stated in the specification that the cover under Chapter A2 - EXTENDED INSURANCE IN REGARD TO AN ADDITIONAL SUM INSURED FOR A CONDOMINIUM - is valid then, the cover as noted in Chapter A1 above shall also be extended to an insured event caused as a result of one of the risks specified in Chapter A paragraph 1 – Insured Event - in addition to the cover resulting from the Earthquake risk.

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

## **CHAPTER B – CONTENTS INSURANCE**

If expressly stated in the specification that the cover under Chapter B – CONTENTS INSURANCE - is valid then, the following conditions shall apply:

**13. The contents**

For the purposes of the Policy, “contents” denotes – any item and object located in the apartment, being under the ownership, possession or responsibility of the Insured or his family members, excluding:

- 13.1 Motor vehicles, caravans, trailers, sea craft and aircraft.
- 13.2 Animals
- 13.3 Securities, bonds, share certificates, loan certificates.
- 13.4 Contracts, undertaking documents, deeds of sale, certificates and documents of all kinds.
- 13.5 Gold, silver or precious metals in unrefined state, diamonds and precious stones not forming part of a piece of jewelry.
- 13.6 Weapons, ammunition and explosives, except weapons held under a license.
- 13.7 Manuscripts, plans, drawings, diagrams, patterns, molds.
- 13.8 Books of account and other business books.
- 13.9 Equipment and stock serving the business only, unless noted otherwise in the specification.
- 13.10 Checks, travelers’ checks, postal checks, promissory notes and bills of all kinds, travel, flight and sailing tickets and lottery tickets.
- 13.11 Items or objects which are found in the garden, stairwell, on fences or paved pathways constituting part of the apartment, on condition that same are not normally found outside the apartment.

The cover under this paragraph in regard to items or objects which are normally located outside the apartment is limited to 2% of the sum insured for the contents.

**14. Limitation on insurer's liability in regard to certain contents items**

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

- 14.1 Cash or purchase coupons – up to 0.5% of the sum insured for contents.
- 14.2 Silver items – up to 10% of the sum insured for contents.



- 14.3 Sculptures, paintings, works of art, antiques and collections of historical, scientific or artistic value – up to 10% of the sum insured for contents.
- 14.4 Carpets – up to 10% of the sum insured for contents.
- 14.5 Furs – up to 10% of the sum insured for contents.
- 14.6 Stamp collection – up to 5% of the sum insured for contents.
- 14.7 Coin collection – up to 5% of the sum insured for contents.
- 14.8 Jewelry, gold items – up to 10% of the sum insured for contents.
- 14.9 Wrist watches – up to 10% of the sum insured for the contents.

The sums relating to the items noted in paragraphs 14.1 to 14.9 – if within the limit noted in regard to each of such items – shall not be subject paragraph 60 of the Insurance Contract Law.

**15. The Insured event**

The insured event is loss or damage sustained by the contents in the course of the insurance period as a result of one or more of the following risks:

- 15.1 Fire, lightning, thunder and smoke constituting an extraordinary and non-permanent phenomenon.
- 15.2 Explosion or combustion.
- 15.3 Winds exceeding 30 knots, including rain falling at the same time, snow or hail, except for leakage of rainwater through walls or ceilings or absorption thereof.
- 15.4 Falling aircraft, falling objects from aircraft, supersonic vibration caused by aircraft.
- 15.5 Contact or collision of a vehicle with the apartment.
- 15.6 Malicious acts, excluding:
  - 15.6.1 Malicious acts perpetrated while the apartment is unoccupied.
  - 15.6.2 Malicious acts perpetrated by the insured or his family members, or with their consent.
  - 15.6.3 Malicious acts perpetrated by persons residing in the apartment with the insured's permission or consent.
- 15.7 Theft, burglary, break-n, or attempt thereat, except:
  - 15.7.1 When the apartment is unoccupied.
  - 15.7.2 The business contents when the apartment is not used for living only.

15.7.3 If perpetrated by one of the insured's family members or by a person living in the apartment with the insured's permission or consent.

15.7.4 Contents located on an open balcony on the roof or ground floor, which by nature should not be outside the apartment.

15.8 Prohibited assembly and disturbance.

15.9 Earthquake including a tsunami caused by an earthquake, provided that the insured did not waive cover in regard to this risk in the manner noted in Regulation 5a of the Insurance Business Supervision Regulations (apartment and contents insurance contract conditions) 5746 – 1986. In regard to the deductible in the event of damage as a result of this risk - earthquakes occurring over the course of 72 consecutive hours after the first earthquake occurrence shall be deemed a single event.

15.10 Flooding or inundation by an external water source except a tsunami as noted in paragraph 15.9.

During the insurance proposal stage, the insured may waive the cover noted in paragraph 15.7 or the contents items noted in paragraphs 14.9-14.8 (all or part thereof) – by way of an express notice which shall be documented by the insurer and will appear in the specification.

16. **Uncovered risks**

This Chapter shall not cover loss or damage resulting from one or more of the following causes:

16.1 War, hostilities, terror attacks.

16.2 Civil war, rebellion, military or popular uprising, revolution.

16.3 Ionizing radiation, radioactive contamination, nuclear processes, nuclear material or nuclear waste.

16.4 Seizure, expropriation, confiscation or destruction or demolition of property by the government, the army, a local authority or a person acting in accordance with the law.

17. **Cover for part of the contents outside the apartment**

17.1 Clothing, personal belongings and jewelry of the insured and his family members will be covered while outside the apartment, against the risks included in this chapter, except:

17.1.1 The risk of theft.

17.1.2 While located in any vehicle.

17.1.3 While same are abroad.

17.2 The compensation under this paragraph is limited to 5% of the sum insured for the contents.

**18. Calculation of the compensation**

18.1 The insurance benefits due to the insured under this chapter will be calculated and paid according to the value of the loss or damage, however, no more than the sum insured appearing in the specification in regard to the contents insurance, and all subject to whatsoever appearing in paragraph 38 hereunder.

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

18.2 The insurance benefits shall be calculated in a manner which will place the insured, as far as possible, in the situation he would have been had the insured event not occurred.

18.3 The compensation shall also include loss or damage to clothing and personal belongings of the insured's household workers, while located in the apartment, in a sum which shall not to exceed 5% of the sum insured for the contents.

**19. Underinsurance**

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

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

20.1 In the event that the specification expressly notes that an extension has been added to this chapter in regard to the risks of water and other liquids, the extension shall include loss or damage first discovered in the course of the insurance period, caused to the apartment as a result of escaping or leaking water or any other liquid from the apartment plumbing and heating fixtures or belonging to another property in the condominium, including cleavage, blockage or overflowing of boilers and piping however, excluding the cost of water, and excluding wear and tear, corrosion and rust of the boilers, plumbing and piping facilities themselves. In regard to damage originating from another property in the condominium, the insurer may limit the scope of cover to a number of occurrences however, no less than one occurrence during the insurance period.

20.2 The insurance in regard to risks of water and other liquids shall not be covered by the policy when the apartment is unoccupied.

**21. Adira Silver Extensions to the contents insurance chapter**

**21.1 Garden furniture and equipment insurance**

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

**21.2 Extension regarding contents in the storeroom**

The insurance is extended to cover loss or damage to contents, while located outside the apartment in a storeroom or auxiliary structure made of blocks and/or concrete or shingles, which is permanently locked and located at the address of the insured contents, subject to paragraph 15 - the Insured Event - except for:

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

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

21.1.3 Property constituting part of the property types specified in paragraph 14 of Chapter B.

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

**21.3 Expenses for replacement of a key**

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

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

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

**21.4 Cover for the Insureds as a Tenant**

The insurance is extended to include loss or damage for which the insured is responsible - solely as a tenant and not as not as owner of the house - caused directly to the apartment, its fixtures and the accessories belonging to the owner of the house which are located inside the apartment or connected thereto, as a result of the risks detailed paragraph 15 – the Insured Event - except when the apartment is unoccupied.

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

- 21.5 Insurance for window-panes, marble surfaces and sanitary fixtures  
The insurance is extended to include accidental breakage of fixed glass in windows and doors, mirrors, chandeliers and glass surfaces used as tables or fitted in furniture, glass shelves, ceramic stoves, bathtubs, wash basins, toilets and marble surfaces in the kitchen and bathroom of the insured apartment, excluding:
- 21.5.1 Damage to frames, inlays, coatings, decorations and inscriptions of any type.
  - 21.5.2 Cracked or defective property items.
  - 21.5.3 Expenses for moving or replacing frames or other parts of the apartment.

For the purpose of this extension (insurance for window-panes, marble surfaces and sanitary fixtures), the word "breakage" shall not include disfigurement or damage which is not penetrate through the entire thickness of the aforementioned item.

The insurer's liability under this extension shall not exceed 5% of the sum insured for the contents insurance and up to 1% per item, unless otherwise noted in the specification.

## 22. **Additional covers under the Contents Insurance Chapter**

- 22.1 Cover for an unoccupied apartment  
If explicitly noted in the specification, the cover is extended to include the contents for the period during which the apartment is unoccupied.
- Measures to mitigate the insurer's risk for cover of an unoccupied apartment:
- 22.1.1 A reliable person shall visit the apartment at least once a week.
  - 22.1.2 The water and electricity supply to the apartment shall be cut off.
  - 22.1.3 The means to mitigate the insurer's risk noted in the specification are in proper working order and activated.
- If activation of the risk mitigation means requires the apartment to be connected to the electricity supply, paragraph 22.1.2 above shall relate only to the water supply.
- The cover under this paragraph shall not apply to jewelry, wristwatches, furs and cameras.
- 22.2 Comprehensive unlimited cover for jewelry/ wristwatches  
If explicitly noted in the specification, the cover is extended to include:
- 22.2.1 Jewelry and gold items over 10% of the sum insured for the contents – unlimited per item as stated in the specification - and in accordance with a jewelry evaluation conducted by a qualified appraiser, which

shall be presented to the insurer prior to the occurrence of an insured event.

22.2.2 Wristwatches over 10% of the sum insured for the contents insurance as noted in the specification, and according to an estimate of the wristwatches by a qualified appraiser which shall be presented to the insurer prior to the occurrence of an insured event.

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

22.3.1 Definitions:

**Business activities**

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

**Business Contents**

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

22.3.2 The Insured event

22.3.2.1 Loss or damage to the business contents during the insurance period as a result of an insured event as specified in paragraph 15; except theft as noted in paragraph 15.7.2. The insurer's liability under this cover shall not exceed the sum appearing in the specification for the business contents. Business contents will be stored only in the apartment and not in any storeroom.

22.3.2.2 Third party liability insurance as specified in Chapter C (except for the exclusion noted in paragraph 30.3) and in accordance with the limit of liability appearing in the specification, provided that the specification states that Chapter C – third party liability policy insurance - is valid.

22.3.2.3 Insurance of the insured's legal liability vis-à-vis 2 workers (maximum) who are employed by him for the business activity noted above for performing clerical work, as assistance and/or cleaning work as specified in Chapter E – employer's liability insurance vis-à-vis household workers (except for the exclusion specified in paragraph 35.1.9) and in accordance with the limit of liability appearing in the specification, provided that the specification notes that Chapter E - Employers liability insurance vis-à-vis household workers – is valid.

23. **All risks cover for certain content items**

If explicitly noted in the specification, the insurance is extended to include All Risks cover for certain contents items only, for which the specification explicitly notes All Risks insurance.

23.1 Definition of an insured event - All Risks cover

Accidental, random and unexpected loss or damage, which is not included in the risks covered under the in addition Event paragraph in Chapter B, which are not specifically excluded hereunder or in the general exclusion paragraphs to this policy.

23.2 Without derogating from whatsoever appearing in paragraph 23.1

This cover will also not apply in the event of loss or damage:

23.2.1 As a result of moths, other insects, worms, gradual deterioration, moisture, rust or atmospheric or climatic factors having a gradual effect.

23.2.2 As a result of wear and tear

23.2.3 As a result of mechanical or electrical breakdown of any type.

23.2.4 As a result of a process of cleaning, renovation, repair or renewal.

23.2.5 As a result of over-winding of a watch spring.

23.2.6 As a result of theft from a parked vehicle, when the vehicle is unoccupied.

23.3 Property not covered under this cover

23.3.1 Magnetic readers in audio-visual systems; perishable components in printers of various types, such as printing heads and toners.

23.3.2 Recorded, CDs, tapes, disks, diskettes and drivers of any type, as well as storage means of any type, including the information stored thereon.

23.4 Cover for an item constituting part of a system

In the event that any item which is lost or damaged, constitutes part of a set of items, then the insurer's liability shall be limited to the relative insured material part of the item which is lost or damaged, of the set of such items; However, where a lost item is part of a pair of items, the insurer will compensate the insured for the complete couple - and not for the entire system - and the insurer shall have the right to receive the remaining item.

23.5 All Risks cover for jewelry, wristwatches and gold items

If explicitly noted in the specification, the insurance will be extended to cover the contents items specified in paragraphs 14.8 and/or 14.9 which belong to the insured, under All Risks cover as defined above, and this, while same are in the insured's apartment or temporarily outside it, within the geographical boundaries.

Upon the occurrence of an insured event, the insurer's liability in regard to this paragraph shall be as follows:

23.5.1 In the event that an estimate by qualified surveyor is not provided to the insurer regarding the said content items – prior to the occurrence of an insured event - the insurer's liability shall not exceed 1% of the sum insured for the contents per item, and in total 2% of the sum insured for the contents for all the items.

23.5.2 In the event that an estimate by qualified surveyor is provided in regard to aforementioned content items – prior to the occurrence of an insured event - the insurer's liability shall be as noted in paragraph 23.5.3.

23.5.3 The assessment will constitute the basis for determining the sums insured, provided that the insurer is not liable to indemnify the insured in a sum exceeding the sum stated in the estimate, or the actual value of the item as of at the date of the insured event - the lower of the two. It should be emphasized that any estimate provided to the company shall not constitute an agreed value.

23.6 All Risks cover for valuables

If explicitly noted in the specification, the insurance will be extended to include All Risks cover for furs, cameras, photographic accessories, works of art and musical instruments, as stated in the specification and according to a detailed list, and according to an assessment by a qualified surveyor – which shall be provided to the insurer prior to the occurrence of an insured event – while same are in the insured's apartment or temporarily outside it, within the geographical boundaries, excluding:

23.6.1 Damage to the camera lenses, unless the camera itself is damaged.

23.6.2 Damage to light bulbs, batteries, film, electrical conductors or perishable auxiliary materials.

23.6.3 Equipment or items, including musical instruments, which are in professional use of any type.

23.6.4 A musical instrument which is not stored in its case when moved from place to place – if customarily kept in a case - and at any time the instrument is not in use.

23.6.5 Loss or damage to the strings of a musical instrument, or a scratch caused to the musical instrument.

23.6.6 Pictures and works of art when same are outside the apartment.

23.7 All Risks cover for valuables anywhere in the world

If explicitly noted in the specification, the insurance will be extended to include cover for the property or part of the property insured under this paragraph – as specified in a list to be provided to the insurer - against All Risks as defined above, including its exclusions, even when located anywhere in the world,



subject to the policy conditions, limitations and exclusions, and for the insurance period noted in the specification. The insurer's liability under to this paragraph shall not exceed the sum insured listed in regard to this paragraph in the specification.

**23.8 All Risks cover for domestic electronic appliances**

If explicitly noted in the specification, the cover is extended to include LCD plasma screens, domestic sound system, computer, scanner, printer and fax machine, according to a detailed list provided to the insurer, or according to a qualified appraiser's estimate which is provided to the insurer – prior to the occurrence of an insured event - against All Risks, while same are in the insured's apartment, except for a laptop/mobile computer.

In the event of loss or damage to the items insured under this paragraph – whose age exceeds 5 years - the insurance benefits due to insured will be calculated and paid according to indemnification value, however, no more than the sums insured relating to the damaged items.

**23.9 All Risks cover for a laptop computer**

**23.9.1** If explicitly noted in the specification, the cover is extended to include a domestic laptop computer (except tablets of any type), in accordance with proof of purchase presented to the insurer, or according to an estimate by a certified appraiser which is provided to the insurer – prior to the occurrence of an insured event - against All Risks.

**23.9.2** In the event of loss or damage to the items insured under this paragraph - whose age exceeds 3 years - the insurance benefits due to the insured will be calculated and paid according to indemnification value, however, no more than the sums insured in regard to the damaged items.

**24. Insurance cover for bicycles**

If explicitly noted in the specification, the insurance will be extended and include cover for bicycles belonging to the insured or his family members, up to the sum noted in the specification, only in regard to the following risks:

**24.1** Accidental loss or damage to the bicycle while being used by the insured.

**24.2** Theft of a bicycle which is locked outside the apartment; In this matter, the insured must produce confirmation of notification given to the police in regard to the theft.

**24.3** Loss or damage that occurred while transporting the bicycle in or on a vehicle, where the transport is by means of a dedicated carrier.

Except for:

**24.4** Bicycles with an auxiliary motor of any type.

**24.5** Damage as a result of using the bicycle during a race, competition or rental.

- 24.6 Natural wear and tear, or damage of any type.
- 24.7 Damage to the tire/ tube, unless damage is sustained by the bicycle itself.

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

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

Definition – The Insured Property

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

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

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

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

26. **All Risks insurance cover for unspecified content items**

- 26.1 If explicitly noted in the specification, the insurer's liability for this cover will not exceed 10% of the sum insured for the contents or NIS 50,000 – the lower of the two – on a first loss basis per occurrence and the entire insurance period, unless otherwise stated in the specification.
- 26.2 The insured event  
Accidental, random and unexpected physical loss or damage to the insured property described in the specification, which occurs in the course of the insurance period, as a result of any reason while in the insured apartment, except as follows:
- 26.2.1 An insured event which is covered or could be covered under this chapter (Contents Insurance) or in paragraph 23 (All Risks cover for certain content items).
- 26.2.2 Direct mechanical breakdown or of electrical or electronic breakdown damages.
- 26.2.3 Scratching or cracking of coating on furniture or household refrigerators or enamel coating of any type.
- 26.2.4 Damage caused by moths, other insects, worms, rodents, gradual destruction, wear, moisture, rust and corrosion processes, atmospheric or climatic factors having a gradual effect.
- 26.2.5 Damage resulting from soil movement and/or subsidence.
- 26.2.6 Damage resulting from defective planning and/or construction and/or defective workmanship.
- 26.2.7 Damage to eye-glasses, contact lenses, hearing aids, dentures.
- 26.2.8 Damage to mobile phones, tablets and laptop/ wearable computers.
- 26.2.9 Damage due to cleaning, renewal, repair or painting processes.
- 26.2.10 Consequential damage.
- 26.3 It is hereby clarified that in the event of damage both the building and the contents, the insurer's liability shall not exceed 10% of the sum insured for the building and contents or NIS 50,000 – the higher of the two.

## CHAPTER C – THIRD PARTY LIABILITY INSURANCE

If explicitly noted in the Specification that the cover under chapter C – THIRD PARTY LIABILITY INSURANCE – is valid, then the following conditions shall apply:

**27. Insured event**

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

27.1 Death, illness, injury, physical, mental or psychological impairment.

27.2 Loss or damage to third party property.

**28. Claims handling**

28.1 The insurer may, and upon the demand of a third party – will be obliged to pay the third party - the insurance benefits which the insurer owes to the insured, provided that written notice is given to the insured as stated in paragraph 28.2 and the insured has not objected as noted in that paragraph. However, any allegation which the insurer may raise against the insured shall also stand in its favor vis-à-vis a third party.

28.2 In the event that the third party demands insurance benefits from the insurer as stated in paragraph 28.1, the insurer shall notify the insured in writing within 7 business days after receiving the demand as aforementioned. If the insured does not notify the insurer of its objection to the pay the compensation within 30 days, the insurer shall pay the third party the insurance benefits owed to the insured, if it is obliged to pay same.

28.3 The insurer may assume or conduct on behalf of the insured the defense against any claim and the insured shall provide the insurer – upon its request - the assistance required by the insurer to settle a third party claim.

28.4 In the event of a claim or claims against the insured which emanate from a single insured event or a series of events which may be attributed to a single cause or reason - and which are covered under this chapter of the policy - the insurer may pay the insured the full sum insured under this chapter and after such payment the insurer shall be exempt from handling the claim or claims and the insurer shall not bear any additional liability in regard thereto, except for Court expenses determined by the court or reasonable expenses incurred in connection with the said claims.

**29. Cover for Court expenses**

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

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

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

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

31. **Non-applicability of underinsurance**

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

32. **Adira Silver Extensions to the Third Party Liability Insurance Chapter**

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

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

- 33.1 Cover for motorized bicycle/ scooter  
If explicitly stated in the specification and notwithstanding whatsoever appearing in exclusion 30.5, the cover will be extended to cover damage to third party property or person as a result of the liability of the insured or one of his family members who live with him and caused the damage which emanates

from lawful use of motorized bicycles (as defined in the transportation regulations) and/or a motorized scooter, up to the limit of liability noted in the specification, per occurrence and the insurance period. In regard to this cover - provided that they are 21 years old at the time of the event and that they rode in accordance with the provisions of the law.

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

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

33.2 Cover for swimming pools - bodily injuries

If explicitly stated in the specification, notwithstanding whatsoever appearing in exclusion 30.8, the cover shall be extended to cover bodily injuries to a third party as a result of the liability of the insured or one of his family members who live with him, due to a private swimming pool located on the insured's premises and intended for private use.

Measure to mitigate the insurance risk regarding the cover under this paragraph:

33.2.1 The entrance to the yard where the pool is located shall be closed and locked and unpermitted and free access to the pool shall be prevented.

33.2.2 In the event that the pool is empty of water, the insured must surround the pool with a modular fence which shall prevent access thereto.

33.2.3 The measures intended to mitigate the insurer's risk specified in the policy specification are in proper working order and activated.

33.3 Cover for use or possession of a firearm

If explicitly stated in the specification and notwithstanding whatsoever appearing in Exclusion 30.6, the cover will be extended to include third party bodily injuries and property damage as a result of the liability of the insured who causes the damage due to use of a firearm and subject to the following conditions:

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

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

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

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

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

## **CHAPTER D - TERROR DAMAGE INSURANCE**

### **(as part of the hostilities and terror attack exclusion)**

34. Whereas this policy does not cover any damage for which the insured is entitled to compensation under the Property Tax and Compensation Fund Law 5721 - 1961 (whether this right is partial or full regarding the entire damage sum, or whether this right is denied due to failure to uphold any of the provision of the aforementioned law), if the specification explicitly notes that Chapter D - Terror Damage Insurance is valid, the insurer shall indemnify the insured, subject to the policy conditions, definitions and exceptions, for physical loss or damage to the apartment building, if insured under Chapter A, or the contents of the apartment if insured under Chapter B, which are caused by terror.
- 34.1 Definition  
In this policy "Terror" - sabotage or act which is harmful to property, committed by a person or persons, whether or not he/they is/are a member/s of any organization hostile to the State of Israel, by reason of such hostility.
- 34.2 Compensation Sums
- 34.2.1 The cover under this chapter will be for the surplus damage sum in excess of the compensation sum which the Insured will be entitled to receive by virtue of the Property Tax and Compensation Fund Law 5721 - 1961 and its regulations (hereinafter the "Property Tax Law").
- 34.2.2 The Insurer shall not be liable for any sum due to the Insured by virtue of the Property Tax Law, which is not paid to the Insured by the Property Tax and Compensation Fund due to failure to uphold any of the provision of the Property Tax Law or due to failure to submit a claim to the Property Tax and Compensation Fund.
- 34.2.3 In any event the insurance benefits under this chapter shall be no lower than a sum equivalent to 10% of the sum actually paid by the Property Tax and Compensation Fund in respect of terror damages.
- 34.3 Exclusions to the insurer's liability.  
This chapter shall not cover loss or damage:
- 34.3.1 Caused by or arising from a break-in or theft by persons taking part in the terror activities.
- 34.3.2 Caused directly or indirectly by an act, operation or incident related to war, invasion, foreign enemy, including hostilities or warlike operations (whether war is declared or not), committed by the forces of a State which is a member of the United Nations and is entitled to vote in the UN General Assembly.
- 34.3.3 Constituting breakage of glass or windshields, if damage is caused to them only.



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

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

34.4 Special Condition

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

34.4.1 Written confirmation from the Israel Police or Ministry of Defense, or –

34.4.2 Written confirmation from the Director of the Property Tax and Compensation Fund as defined in the Law.

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

35. If expressly stated in the specification the Chapter E - EMPLOYERS' LIABILITY VIS-À-VIS HOUSEHOLD EMPLOYEES is valid, the insurer shall indemnify the insured, up to the limits of liability noted in the specification, in respect of sums which the insured will be obliged to pay as compensation for its liability under the Torts Ordinance (New Version) 5728-1968, in the event of bodily injury or illness suffered, in the course of the insurance period by the insured's household workers - except for a driver while engaged driving a motor vehicle – who are employed by the insured privately and not for his occupation or for any business purpose. The insurer shall also pay the reasonable court expenses which the insured will be obliged to bear in respect of its liability, even beyond the limits of liability noted in the specification.

35.1 Exclusions to the insurer's liability

The Insurer shall not be liable under this paragraph for:

35.1.1 Any sum claimed from the insured by the National Insurance Institute.

35.1.2 Any sum paid by the National Insurance Institute for bodily injuries or illness as aforementioned.

35.1.3 Any sum which would have been paid by the National Insurance Institute, however, was not paid due to non-compliance with any of the provisions of the National Insurance Institute Law and its regulations.

35.1.4 Any sum which would have been paid by the National Insurance Institute, however, was not paid due to failure to file a claim with the National Insurance Institute.

35.1.5 Any liability of the insured by virtue of an agreement, which would not have existed in the absence of such agreement.

35.1.6 In the event of a bodily injury or illness as aforementioned, suffered by a youth who was employed contrary to the provision, laws or regulations regarding employment of youths or not in accordance with such laws or regulations.

Employment of youths as baby-sitters shall not be deemed employment of youths contrary to the provisions, laws or regulations regarding employment of youths.

35.1.7 Any sum which the Insured is entitled to claim from any party however, may not submit such claim due to an agreement between the Insured and any party whatsoever. The Insured shall refund to the Insurer all the sums paid by it, which the insured could have recovered had such agreement not existed.

35.1.8 Any liability of the insured emanating directly or indirectly from the use of any vehicle or other means of transport, vessel, aircraft, including loading or offloading of goods therefrom.

35.1.9 An insured event involving one of the insured's employees who is employed for the purpose of the insured's business in the apartment, unless the insured purchased an extension regarding business activities and same is explicitly noted in the specification.

35.1.10 Asbestosis or silicosis

35.1.11 Any exclusion appearing in Chapters A or B.

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

### **36. Methods of Compensation**

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

- 36.1 Payment of the value of the loss or damage in cash.
- 36.2 Repair of the apartment or the contents which are lost or damaged and returning same to a condition similar to that on the eve of the loss or damage.
- 36.3 Replacement of the contents or part thereof or replacement of parts of the apartment with items of the same type and quality as those which were lost or damaged. In regard to damaged jewelry damaged during the insured event, as detailed in paragraph 15 of the Contents Chapter, subject to the insured's consent and on condition that same may be identified or replaced with identical jewelry.

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

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

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

- 38.1 Insurance benefits due to the insured due to an insured event will vary according to changes between the index recently published prior to the occurrence of the insured event and the index recently published before payment to the insured, except for insurance benefits under Chapter A which will vary according to changes in the Price Index of Input in Residential Building recently published prior to the occurrence of the insured event and the Price Index of Input in Residential Building recently published before payment to the insured.

38.2 Interest shall be added to the insurance benefits at the rate determined under the definition of " linkage and interest differentials" in paragraph 1 of the Interest and Linkage Adjudication Law, 5721-1961 (hereinafter the "Interest Adjudication Law"), as and from 30 days after the date of filing a claim for payment of insurance benefits under this policy. Nothing in this provision shall derogate from the court's authority under the aforementioned law.

**39. Reinstatement value**

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

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

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

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

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

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

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

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

40. **Claim for insurance benefits**

- 40.1 Following the occurrence of the insured event, the Insured shall notify the insurer immediately upon learning thereof.
- 40.2 Any claim for payment of insurance benefits under the policy shall be documented by the insurer. Nothing in the aforementioned shall prevent the insurer from demanding that the claim be submitted in writing.
- 40.3 The Insured shall furnish the insurer, within a reasonable time after being required to do so, the information and documents needed to ascertain the liability and the scope thereof; and if they are not in his possession, he must assist the insurer to the best of his ability to obtain them.
- 40.4 Immediately after receipt of the Insured's notice concerning the insured event, the insurer shall do whatever is necessary to ascertain its liability.
- 40.5 The insurance benefits will be paid within 30 days from the time when the insurer is in possession of the information and documents needed to ascertain its liability.

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

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

42. **Property Found**

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

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

- 43.1 Upon the occurrence of an insured event, the insured shall be entitled to receive a down payment or a financial obligation from the insurer, which will allow him to obtain service to repairing the damage or loss, on account of the monies due from the insurer under the conditions of this policy.
- 43.2 In the event that the insurer remits an advance payment on account of the insurance benefits, such advance payment will be deducted from the final sum payable to the insured. The deduction will be calculated while linking the advance payment to the index or the Price Index of Input in Residential Building, as the case may be, from the date of the advance payment and until the date of the final payment.

43.3 Insurance benefits which are not in dispute shall be paid within 30 days after the date the insured files a claim for payment of insurance benefits in accordance with paragraph 40.2, which may be claimed separately from the other benefits.

**44. Reinstatement of the sums insured**

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

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

**45. Deductible**

45.1 Upon the occurrence of an insured event which is covered under this policy, the deductible noted in the specification shall be deducted from the insurance benefits in respect of each claim.

45.2 If a deductible is noted in respect of a specific insured event as a percentage of the sum insured, the deductible shall be calculated separately for each of the policy chapters.

45.3 Without derogating from whatsoever appearing in paragraphs 45.1 and 45.2, upon the occurrence of an insured event under Chapters A and B of this policy, the insured shall be charged a single deductible, which shall not exceed the higher of the sums noted in the specification.

**46. Payment of insurance fees and other fees**

46.1 The insurance fees and all other sums due from the Insured to the insurer in connection with this Policy shall be paid in the manner and on the dates noted in the specification.

46.2 For purposes of this Policy, the insurance fees constitute the total payments which the insurer may charge the insured, all as noted in the specification.

46.3 If any sum due from the insured to the insurer is not paid on time, the sum in arrears shall bear annual interest as provided in the Interest and Linkage Adjudication Law in accordance with the changes in the index, between the index last published prior to the date set for payment and the index last published prior to the date of actual payment.

46.4 If any sum in arrears, as aforementioned, is not paid within 15 days after the insurer demands in writing that the insured do so, the insurer may notify the insured in writing of cancellation of the insurance within a further 21 days, unless the sum in arrears is defrayed prior thereto. Where a beneficiary other than the insured is irrevocably specified, the insurer may cancel the insurance if

it notified the beneficiary in writing of the said arrears and the beneficiary failed to defray the sum in arrears within 15 days from the date of delivery of said notice.

- 46.5 Cancellation of the insurance according to this paragraph shall not derogate from the Insured's duty to pay the sum in arrears relating to the period until the said cancellation, as well as the insurer's expenses.

**47. Disclosure and change in a material matter**

- 47.1 This policy was issued on the basis of the answers given by the insured to the insurer, in writing or in any other way which shall be documented by the insurer, to all the questions asked in the proposal which served as a basis for the policy, and on the basis of the insurer's assumption that the insured would provide full and frank responses to the questions asked as aforementioned, that the insured did not intentionally conceal a matter which he knew was material for the insurer in order to estimate the insured risks, and that it he initiated measures to prevent damages – which the insurer has demanded in writing be initiated to mitigate the risks insured under this policy.

- 47.2 A material matter is a matter in respect of which a question was presented in the insurance proposal - in writing or in any other way which shall be documented by the insurer - and without derogating from the generality of the aforementioned, including the following matters:

47.2.1 Regarding the apartment: the apartment address, value of the apartment, type of the building, building material, location of the apartment in the building, safety measures of any type, age of the apartment, size of the apartment, number of rooms, number of people regularly living in it, additions and special modifications.

47.2.2 Regarding the contents: description of the items constituting the contents, value of the contents, details of the electrical appliances: their type, make, age and value, as well as details of the valuables.

47.2.3 Without derogating from paragraphs 47.2.1 and 47.2.2, regarding the apartment and the contents: damages occurring in the last three years as a result of risks covered by this policy, as well as details of previous insurers which insured or refused to insure the apartment or contents, in the last three years.

- 47.3 If the insured fails to provide full and frank responses to questions in regard to material matters, or intentionally conceals a material matter from the insurer with fraudulent intent, or fails to initiate the measures required by the insurer to mitigate the risks insured under this policy, the insurer will act in accordance with the provisions of the Insurance Contract Law. This paragraph shall not deny the insurer any remedy granted to it by law.

- 47.4 In the course of the insurance period, the insured shall notify the insurer of any change in a material matter, as soon as he learns thereof. In the event that the insured fails to disclose such a change to the insurer, the insurer will be entitled



to cancel the policy or reduce the scope of its liability in accordance with the provisions of the Insurance Contract Law.

**48. Cancellation of the policy**

- 48.1 The insured may cancel the policy at any time before the end of the insurance period, at his discretion. The insurance will be canceled on the date reported to the insurer, or at a later date in accordance with the insured's request.
- 48.2 Without derogating from to the insurer's rights under law, the insurer may cancel the insurance before the end of the insurance period due to fraud on the part of the insured or due to improper disclosure of details in regard to which he was asked before issuing the policy, provided that notice of the cancellation – including the reasons for the cancellation - is sent to the insured by registered mail 30 days At least before the date on which the insurance is canceled.
- 48.3 In the event that the insured gives notice regarding cancellation of the policy as stated in paragraph 48.1, or notifies the insurer of cancellation of a policy as stated in paragraph 48.2, the insurer shall return to the insured as soon as possible, and no later than 14 days after the date on which the cancellation takes effect, the pro-rata share of the insurance fees paid. The aforementioned pro-rata share shall be calculated by multiplying the insurance fees charged by the insurer by the ratio between the number of days remaining (on the date of cancellation) until the end of the original insurance period, and the number of days included in the original insurance period.
- 48.4 All the sums reimbursed under this paragraph shall vary in accordance with changes in the index, between the index published soon before the date of payment of the insurance fees and the index published soon before the date of refund of the insurance fees. If the insurance fees are paid in instalments, each sum shall vary according to changes in the index, between the index published soon before the date of payment and the index published soon before refund of the insurance fees.
- 48.5 Notwithstanding whatsoever appearing in this paragraph, a liened policy shall be cancelled 30 days after the notice is given to the beneficiary in regard to the cancellation.

**49. Double insurance**

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

**50. Replacement of the apartment**

50.1 In the event that the insured replaces the apartment in the course of the insurance period and moves to another apartment (hereinafter the "new apartment") the insured may – after giving notice to the insurer and with its consent - transfer the cover under this policy to the new apartment and the cover for the apartment and contents will continue to be valid in the new apartment.

In accordance with the insured's notice, and in accordance with the conditions of the existing policy, notwithstanding whatsoever appearing in this subparagraph, the cover for the contents will continue to be valid in both apartments for a period not exceeding 3 days.

50.2 If the value of the new apartment or contents exceeds the value of the apartment or contents on the date of moving to the new apartment, the insured will increase the sums insured accordingly and within 30 days from that date, pay the insurer the difference in the insurance fees, prorata for the increase in the sums insured. The calculation of the insurance fees for the increase in the sums insured shall take into account the increase in the value of the apartment or contents from the inception of the insurance period and until the moving date.

50.3 If the value of the new apartment or contents decreases vis-à-vis the value of the apartment or contents on the date of moving to the new apartment, the insured shall reduce the sums insured accordingly, and receive from the insurer the pro-rata difference in the insurance fees for reduction of the sums insured within 30 days after that date. Calculation of the insurance fees for reduction of the insurance fees shall take into account the increase in the value of the apartment or contents from the inception of the insurance period until the moving date.

**51. Subrogation**

51.1 If due to the insured event, the insured shall also have a right to compensation or indemnification against a third person - not by virtue of an insurance contract - such right shall pass to the insurer once it pays the insured insurance benefits and in accordance with the rate of benefits paid.

51.2 The insurer may not use a right transferred to it under this paragraph in a manner which will adversely affect the insured's right to collect from the third person compensation or indemnification in excess of the benefits received from the insurer.

51.3 In the event that the insured receives from the third person compensation or indemnification which is due to the insurer under this paragraph, he shall transfer same to the insurer. In the event that the insured compromises, waives or performs another action which adversely affects the right which transferred to the insurer, he shall compensate the insurer in regard thereto

51.4 The provisions of this paragraph shall not apply if the insured event was caused unintentionally by a person from whom a reasonable insured would not claim

compensation or indemnification, due to family or employment or lessee – lessor relations between them, and provided that the lessee and lessor waived the subrogation right one vis-à-vis the other.

52. **Prescription**

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

53. **Consequential damage**

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

54. **Notices**

Any notice by the insured or of the beneficiary to the insurer, shall be given in writing to one of the following:

54.1 The address of the insurer's office as noted in the heading of this policy, or any other address in Israel of which the insurer shall notify the insured or the beneficiary from time to time.

54.2 The office of the insurance agent noted in the policy - according to his address as specified therein, or to any other address of which the insurance agent or insurer shall inform the insured or beneficiary from time to time.

54.3 A notice by the insured or the beneficiary to the insurer may be given in any of the methods noted in sub-paragraph 54.1, of which the insurer shall give notice to the insured or the beneficiary from time to time.