

PROPERTY INSURANCE

Information document for the insurance product

Barents Insurance EAD, UIC: 207459862

Republic of Bulgaria, Sofia 1000, Triaditsa District, Uzundzhovska 7-9

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Product: “Construction All Risk” Insurance

This information document does not reflect the individual terms and conditions of your insurance contract, but provides a summary of the most important terms and conditions of the "All Risks in Construction All risk" product. The complete pre-contractual and contractual information about the product is contained in the insurance policy, the General Insurance Conditions, and the "Questionnaire - Proposal" for concluding the contract, which are provided to you before concluding the insurance and are an integral part of the insurance contract.

What kind of insurance is this?

“Construction All risk” Insurance is a voluntary insurance providing coverage for material damage to own or third party real estate and movable property used for commercial, business or production purposes, caused by a sudden, accidental and unforeseeable insured event.



What does the insurance cover?

The risks covered are grouped into the following sections

Section I. Material damage (basic coverage)

✓ This section covers construction and installation projects of any kind in the field of high-rise and low-rise construction, based on detailed project documentation, general/site plan, and schedule for their implementation, against any sudden and unforeseeable material/physical loss or damage specified in the policy or parts thereof, occurring during the term of the insurance, for any reason, except for the expressly specified exclusions, and which loss or damage leads to the need for replacement or repair of the damaged items.

✓ The object of insurance may also include the facilities and equipment of the construction site, including temporary buildings, installations, construction inventory, equipment, tools, etc., according to an attached list containing information about the type of property, its identification data, and its insured amount.

✓ The construction machinery used on site may also be insured, according to the attached list containing data on the type, brand, model, year of manufacture, inventory number, and insured amount of the equipment.

Section II. Third-party liability

✓ Under this Section, the Insurer undertakes to pay, within the limits of the insurance amounts/liability limits specified in the policy, the compensation owed by the Insured under the applicable legislation for property damage and non-property damage to third parties caused as a result of unlawful damage occurring during the period of insurance coverage within the agreed territory of validity, property damage and non-property damage to third parties caused on the construction site or in its immediate vicinity in direct connection with the insured works under Section I. Material damage and expressed in:

- bodily injury or illness of third parties (including death);
- damage to the property of third parties.



What does the insurance not cover?

The Insurer shall not be liable to pay compensation to the beneficiary in the following cases:

- ✗ war; enemy invasion; military action (whether war has been declared or not); civil war; civil unrest; riots; revolution; military invasion; rebellion; strike; lockout; malicious acts by groups of persons acting on behalf of political organizations; conspiracy; confiscation; requisition; destruction or damage caused by order of the government or other competent authorities; terrorism;
- ✗ nuclear reaction, radiation, or radioactive contamination;
- ✗ intentional act or omission or gross negligence on the part of the Insured or his representatives;
- ✗ complete or partial termination or interruption of work on the construction site for any reason (lack of materials, construction machinery or financing, unspecified or incomplete project documentation, etc.); infectious diseases;

The Insurer shall not provide insurance coverage, pay compensation, or provide benefits if the provision of such coverage, payment of such compensation, or provision of such benefits:

- ✗ arises from a risk related to Iran, Syria, the Democratic People's Republic of Korea (DPRK) or the Crimea region;
- ✗ constitutes a sanctioned, prohibited or restricted action under: a United Nations resolution; trade or economic rules, laws or regulations of the European Union, the United Kingdom or the United States; the legislation of the Republic of Bulgaria.

The Insurer shall not be liable for any loss or damage arising directly or indirectly from cyber risks, including:

- ✗ loss, alteration, damage or incorrect or unauthorised programming, perforation, marking or entry of data, accidental deletion (erasure) of information or disposal of data carriers, or costs due to data loss caused by the influence of magnetic fields or
- ✗ reduction in the functionality, usability or operation of a computer system, hardware, program, software, data, information storage device, microchip, integrated circuit or other similar device in computer or other equipment.
- ✗ The Insurer shall not be liable for items damaged by an insured event that have not been repaired in a timely manner or have been repaired poorly.

SPECIAL EXCLUSIONS under Section I. Property damage for:

- ✗ indirect and consequential losses of any kind, including lost profits, contractual penalties, fines, damages, inability to perform work, termination of contractual relationships, and others;
- ✗ damages resulting from design errors;
- ✗ costs for replacement and/or repair of defective material and/or poor workmanship; wear and tear, corrosion, oxidation, deterioration of materials due to non-use or normal atmospheric influences;
- ✗ damage to temporary construction facilities and equipment and to construction machinery due to electrical or mechanical damage, as well as a result of freezing of coolant or other type of liquid agent, defective lubrication or lack of lubricating oils or coolant;
- ✗ damage to land, rail, air and water vehicles that are covered by another type of property insurance;
- ✗ loss or damage to documentation, plans, accounting books, accounts, money, deeds, debt instruments, securities, cheques and other documents, packaging materials such as boxes, cases, etc.;
- ✗ theft, except for burglary; shortages discovered during inventory or audit;
- ✗ costs for any alterations, additions and/or improvements; damage resulting from poor-quality or untimely repair of items damaged by an insured event, including damage to the items themselves that were repaired untimely or poorly; damage to property due to its storage in unsuitable conditions, including in unsuitable storage rooms/areas.

Under Section II. Liability to third parties The Insurer shall not be liable and shall not owe compensation for:

- ✗ any costs of restoration, repair or replacement of items, as well as any other costs insured under Section I. Material damage;
 - ✗ damage to property, land, buildings or structures caused by vibrations or the removal or loosening of load-bearing elements, as well as injuries or damage to individuals caused by or resulting from the same causes;
 - ✗ bodily injury or illness of an employee of the contractor, the client or another legal entity or sole trader associated with the project, which project or part of which project is insured under Section I. Material damage, as well as members of their families;
 - ✗ loss or damage to property belonging to or under the care or control of the contractor, the client, or another legal entity or sole trader associated with the project, which project or part of which project is insured under Section I. Material damage, or to their employee or servant;
- Under Section II. Third Party Liability The insurer does not cover the insured's liability arising from and/or related to:
- ✗ the ownership, use and operation of any land, rail, air or water vehicles that are subject to another type of insurance;
 - ✗ breach of a contractual obligation by the Insured, including lost profits resulting from breach of a contractual obligation;
 - ✗ any compensation agreements in any form entered into by the Insured, except in cases where liability for such compensation would exist even in the absence of such agreements;
 - ✗ damage to the environment;
 - ✗ damage resulting from poor quality or untimely repair of items damaged by an insured event.

All exceptions are specified in the General terms and conditions of the insurance.



Are there any coverage restrictions?

- ✗ Under Section II. Third-party liability does not include the insured's employees and staff, the insured's subcontractors, the construction investor, and other natural or legal persons involved in the performance of the insured construction activities, as well as the employees and staff of the aforementioned persons.



What is the territorial coverage of my insurance?

The insurance coverage is valid for the territory of the Republic of Bulgaria, unless otherwise agreed.

The insurance coverage under these General Terms and Conditions applies only to the construction and installation site described in the Proposal-Questionnaire and the insurance policy, with its respective boundaries and address.

The Insurer provides insurance coverage for movable property only and to the extent that it is located at the address of the insured construction and installation site.



What are my obligations?

When concluding the insurance contract, you must:

- ✓ indicate all known circumstances about which the insurer has asked questions in the "Questionnaire - Proposal" and which are relevant to the risk;
- ✓ provide all documents requested by the Insurer for risk assessment

During the term of the insurance contract, you shall:

- ✓ take all necessary precautions at your own expense and comply with all recommendations of the Insurer to prevent the occurrence of losses, damages and/or liabilities;
- ✓ comply with the approved design and schedule for the construction works, the technological process and technological proportions, as well as the established construction and technical norms, standards, regulations and requirements for the proper and safe performance of the insured works, including fire safety requirements;
- ✓ comply with the requirements, instructions, and recommendations of the manufacturers of the materials, facilities, and equipment used, as well as the regulations of the competent authorities
- ✓ maintain the insured property in good working order and manage it with the care of a good manager;
- ✓ keep all necessary and legally required documentation relating to the insured works in such a way that, in the event of an insured event, it cannot be damaged, destroyed or lost;
- ✓ ensure access for the Insurer (or its representative) to carry out inspections and surveys at any time, as well as provide all necessary information for risk assessment;
- ✓ not take any action, or allow any action or inaction, that leads to a change in the circumstances that are relevant to the risk, resulting in an increase in the risk, before obtaining the written consent of the Insurer;
- ✓ notify the Insurer of any new circumstances, as well as of any change in the initially declared circumstances that are relevant to the risk, verbally by telephone, immediately after becoming aware of the circumstances, and in writing within 7 (seven) days of becoming aware of them. In the event of a change in the risk circumstances, the Insurer shall have the right to change the terms and conditions of insurance, including charging an additional insurance premium or terminating the insurance;
- ✓ notify the Insurer of any change in the permanent address or correspondence address specified in the policy.

Upon the occurrence of an insured event, you shall:

- ✓ take all necessary and appropriate measures to reduce and/or limit the damage, rescue and preserve the insured objects;
- ✓ do not change the condition of the damaged property or take any action that would increase the amount of damage without the Insurer's permission;
- ✓ notify (file a claim with) the Insurer within three working days of becoming aware of it by completing the Insurer's standard notification form for damage;
- ✓ follow the instructions of the Insurer, experts and competent state authorities;
- ✓ ensure access for the insurer and experts to inspect the construction site and the damaged items;
- ✓ not undertake to repair damage to items damaged by an insured event before the insurer and experts have carried out an inspection;
- ✓ provide full and sincere cooperation to the insurer and the experts in establishing the event, determining the extent of the damage and clarifying the circumstances;
- ✓ notify the Insurer if there is another valid insurance policy covering the same damage and/or if you have received partial or full compensation from the party responsible for the damage, the insurer or another third party within three days of receiving it;
- ✓ take and allow all necessary or expressly requested by the Insurer actions related to engaging and exercising regressive rights against third parties responsible for the damages incurred;
- ✓ assist the Insurer in exercising its rights against the direct perpetrator of the damage, both before and after the payment of insurance compensation;
- ✓ provide all information and/or documentation requested by the Insurer to clarify all circumstances surrounding the occurrence of the insured event and the amount of damage, including:
 - in cases where insurance coverage is provided under the insurance contract and under Section II. Third Party Liability, you are obliged to:
 - ✓ notify the Insurer upon becoming aware of a claim or legal action within 3 working days of becoming aware of it, providing information about the type of event and damage, as well as the amount of the claim;
 - ✓ involve the Insurer as a third party - assistant in the legal proceedings;
 - ✓ comply with the instructions given by the Insurer.

The obligations of the Insurer and the Insured are set out in detail in the General Terms and Conditions of the "Construction All Risks" insurance.



When and how should I pay?

The insurance premium is payable in a single installment at the start of the policy, unless otherwise agreed.

You can pay the insurance premium in cash or by bank transfer.



When does the coverage start and end?

The insurance is taken out for a period of 12 (twelve) months, unless otherwise agreed in the policy.

The insurance shall take effect at 00:00 hours on the date specified as the start date, provided that the premium due or the first instalment thereof has been paid, unless otherwise agreed, and shall terminate at 24:00 hours on the date specified as the end date in the insurance policy.

In addition to the expiry of the contract, the cover shall also terminate at the request of either party, with 30 days' written notice to the other party, or in the event of non-payment of an instalment due in the case of deferred payment of the premium, where the delay is more than 15 days after the due date.



How can I terminate the contract?

You can terminate your insurance by sending us a one-month written notice.