



ADIRA GOLD

HOME AND CONTENTS INSURANCE

המהדורה הקובעת הנה המהדורה שנכתבה בעברית
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ADIRA GOLD
ALL RISKS HOME AND CONTENTS INSURANCE
POLICY

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PREAMBLE

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

AND

The Insured whose name is stated in the Specification (hereinafter referred to as the “Insured”), subject to which the Insurer agrees to pay to the Insured Insurance Benefits for Insured Events that occur during the Period of Insurance, within the limits of the Sum Insured, against the Premium.

The Premium, Period of Insurance, and Sum Insured, are stated in the Specification, constituting an integral part of this Policy.

The insurance coverage subject to each of the Policy chapters and/or additional coverages stated in the Policy, will take effect only if it is explicitly stated in the Policy and/or the Specification, that the insurance coverage in reference thereto is valid or included.

The Preamble above, the Proposal form, the Specification form, and any other document or other information submitted to the Insurer, constituting a basis for this Policy, are an integral part of the Policy.

DEFINITIONS

“Condominium” – a house registered as a condominium in the Land Registry Books, and a house that is not registered as aforementioned, provided that it has at least two apartments.

“Family Members” – spouse, children, parents, or other relatives of the Insured who regularly live therewith in the apartment.

“Apartment” – the structure of the apartment or house mentioned in the Specification, the main use of which is residential, including balconies, pipelines (including gas pipelines), sewage and plumbing installations, heating devices, air condition systems, boilers, solar systems for heating water, telephone and electricity devices belonging to the apartment, gates, fences, and paved pathways belonging to the apartment, and all fixed parts of the apartment or that are permanently attached thereto. And if the apartment is in a Condominium – including as well the Insured’s share in the Condominium’s joint property and the apartment’s special attachments (including a storeroom).

“Earthquake” – including a tsunami caused as a result of an earthquake. A single event will as well be considered a sequence of earthquakes over up to 72 consecutive hours after the occurrence of the first earthquake.

“An Unoccupied Apartment” – an Apartment that is unoccupied for more than 60 consecutive days or which *de facto* has not been lived in regularly for more than 60 consecutive days.

“Household Worker” – an employee in the direct service of the Insured, whether living therewith or not.

“Geographic Territory” – in the geographic territory of the State of Israel or the “Area” as it is defined in the Law Amending and Extending the Validity of the Emergency Regulations (Adjudication of Offences and Legal Aid – Judea and Samaria), 5767 – 2007.

GENERAL EXCLUSIONS TO ALL OF THE POLICY CHAPTERS

This Policy does not cover loss or damage caused as a result of one or more of the following factors:

1. War, invasion, hostile action, terrorist attacks.
2. Civil war, rebellion, military or civil uprising, revolution.
3. Ionizing radiation, radioactive contamination, nuclear processes, nuclear material or nuclear waste.
4. Seizure, confiscation, usurpation, or destruction or demolition of property by the government, military, local authority, or a person acting according to the law.

THE INSURED EVENT – CHAPTERS A AND B

Loss or damage to the property of the Insured described in the Specification which occurred during the Period of Insurance for any reason whatsoever including an earthquake, and all subject to the terms, conditions and exclusions stated in the Policy.

CHAPTER A – HOME INSURANCE

1. Risks and exclusions not covered in the home insurance chapter

- 1.1 **The Company will not be liable for loss or damage caused directly or indirectly as a result of one or more of the following factors:**
 - 1.1.1 **Leak of rainwater beyond the walls or ceiling, or their absorption therein.**
 - 1.1.2 **Malicious actions:**
 - 1.1.2.1 **Done while the apartment was unoccupied.**
 - 1.1.2.2 **Done by the Insured or his family members or with their consent.**
 - 1.1.2.3 **Done by persons living in the apartment subject to the Insured's permission or consent.**
 - 1.1.3 **Theft, robbery, burglary, or the attempt thereof, while the apartment is unoccupied.**
 - 1.1.4 **Any water damage and other liquids except for that which is stated in section 5 “water risks and other liquids”.**
 - 1.1.5 **Moth, other insects, worms, rodents, gradual deterioration, wear and tear, moisture, rust and corrosive processes, atmospheric or climate elements with a gradual influence.**
 - 1.1.6 **Mechanical and/or electric and/or electronic failure of any kind whatsoever.**
 - 1.1.7 **Damage arising from a planning and/or construction impairment and/or faulty work.**
- 1.2 Notwithstanding the abovementioned it is hereby agreed and declared that exclusions: 1.1.4, 1.1.5, 1.1.6, shall not apply in cases in which damage was caused as a direct result of the following risks:
 - 1.2.1 Fire, lightning, thunder, and smoke as an extraordinary phenomenon and not a regular phenomenon.
 - 1.2.2 Explosion or catching fire.
 - 1.2.3 Wind that exceeds 30 knots, including rain that fell at the time, snow or hail, **excluding leaking of rainwater through the walls or the ceiling, or their absorption therein.**
 - 1.2.4 Fall of an aircraft, fall of objects from an aircraft, sonic boom caused by an aircraft.
 - 1.2.5 Contact or collision of a vehicle with the Apartment.
 - 1.2.6 Unlawful assembly and riots.
 - 1.2.7 Earthquake.
 - 1.2.8 Flood or flooding from an external water source.

2. Calculation of compensation

- 2.1 The Insurance Benefits payable to the Insured subject to this chapter will be calculated and paid according to the value of the loss or damage to the Apartment, however no sum shall be paid beyond the Sum Insured stated in the Specification as the apartment insurance sum, and all subject to the content of Chapter G section 2 below.
- 2.2 The Insurance Benefits will be calculated in a manner that will reinstate the Insured, as much as possible, to the situation he would have been in had the Insured Event not occurred.
- 2.3 The Insurance Benefits paid subject to this chapter will include, subject to the contents of subsection 2.1 as well:
 - 2.3.1 Expenses due to services given by architects, appraisers, building consultants, engineers, and contractors, and legal expenses, paid in order to repair, refurbish, or rebuild the Apartment or any part thereof, provided that notice was given to the Insurer in advance.
 - 2.3.2 Expenses for removing wreckage, cleaning the Apartment, painting it, and reconnecting it to electricity, telephone, water, gas, and sewage.
 - 2.3.3 Compensation for loss of income from leasing the Apartment or rent expenses for residential purposes for the Insured and his Family Members, as long as the Apartment is not fit to be lived in subject to the determination of a licensing engineer as is defined in the Engineers and Architects Law, 5718 – 1958 (hereinafter referred to as the “Engineers and Architects Law”). The compensation subject to this paragraph will be calculated according to the acceptable lease fees for an apartment similar to the Apartment insured by this Policy, for a maximum period of 12 months, commencing on the date of occurrence of the Insured Event, or a maximum sum that does not exceed 15% of the Apartment Insurance Sum, according to the lowest of the two, and thus even if the total compensation exceeds the Apartment Insurance Sum. Payment for rent expenses subject to this paragraph is subject to reasonable proof that the lease fees for a substitute residence were indeed paid *de facto*.

3. No application of underinsurance

Section 60 to the Insurance Contract Law, 5741 – 1981 (hereinafter referred to as the “Insurance Contract Law”) shall not apply to this chapter.

4. Adira Zahav extensions to the Apartment Chapter

- 4.1 **Extended coverage for plants lawns and irrigation systems**

This insurance is extended to cover damage caused to plants, lawns, trees, bushes, and irrigation systems belonging to the Apartment.
- 4.2 **Extended coverage for storeroom and parts that are not fixed**

This insurance is extended to cover a storeroom that is not attached to the Apartment, pergolas, awnings, shading and covering accessories located on the Insured’s premises, which are not a fixed part of the Apartment and/or are not permanently attached thereto.

The Insured Event pertaining to sections 4.1 and 4.2 is limited to loss or damage caused as a result of fire hazards, lightning and explosion only, and the Insurer's liability for these sections will not exceed 2% of the Sum Insured for Chapter A – Home Insurance.

Additional coverage for the Home Insurance Chapter

5. Water risks and other liquids

5.1 The insurance is extended to cover loss or damage first discovered during the Period of Insurance and which were caused to the Apartment as a result of the escape or leaking of water or any other liquid from the plumbing and heating installations of the Apartment or another asset in the Condominium, including rupturing, clogging, or overflowing of boilers and pipes, however excluding the cost of the water, and wear and tear, corrosion, and rust caused to the boilers, pipes, and plumbing installations themselves. As for damage the source of which is another asset in the Condominium, the Insurer may limit the scope of the coverage to a number of events which will be no less than one event during the Period of Insurance.

5.2 Coverage for waterproofing damages upon choosing a plumber on behalf of the Insurer

5.2.1 If it is explicitly stated in the Specification that in addition to water risks and other liquids coverage for waterproofing damages, the coverage will include treatment for dampness damages, as a result of water and other liquids, caused to the Insured's Apartment as this is defined in the Policy as a result of faulty waterproofing or inadequate waterproofing in the Apartment, in the following areas only:

5.2.1.1 In the bathrooms and toilets, around the bathtub, shower basin, sink, and sanitary appliances.

5.2.1.2 In the kitchens, water infiltration through kitchen marble or in service cabinets.

5.2.1.3 Waterproofing problems in the Apartment tiles.

5.2.2 Repair will include only

5.2.2.1 Repair or renewal of the required waterproofing until the infiltration of water stops completely, and thus by using sealing methods and materials commonly used in the market for these purposes.

5.2.2.2 Repair of paint damages and painting the structure.

5.2.3 **Services and repairs will not include**

5.2.3.1 **The sanitary appliances themselves, including sinks, shower basins, bathtubs, shower stalls.**

5.2.3.2 **Tiles, including replacing the sand foundation or the sesame and drying it, parquet, wall-to-wall carpets, various decorative tiles, marble surfaces or similar material (work surfaces / sink), installed on and/or in kitchen cabinets, bath cabinets, and service closets.**

5.2.3.3 **Any replacement or installation of bitumen sheets or any other waterproofing material under the floor.**

5.2.4 **Exclusions to the coverage –**

This coverage will not apply to:

5.2.4.1 **In the event of lack of waterproofing or dampness arising from absorption of rainwater or any running water from exterior walls (envelope) and the ceilings of the insured apartment including open and closed terraces, including dampness from exterior windows and doors.**

5.2.4.2 **Damage caused to Apartment contents.**

5.2.4.3 **For damage to swimming pools and Jacuzzi facilities or damage arising therefrom.**

5.2.5 **Limits of Liability for the period**

The maximum Limits of Liability for the entire Period of Insurance subject to this coverage as a result of the covered events shall not exceed NIS 10,000 (ten thousand shekels).

5.3 **Water risks and other liquids insurance including waterproofing damage shall not be covered by the Policy when the Apartment is unoccupied.**

6. Unoccupied Apartment

If explicitly stated in the Specification, the insurance is extended to cover the Apartment for the period of time in which the Apartment is unoccupied.

Measures to mitigate the Insurer's risk for covering an Unoccupied Apartment:

6.1 **A reliable person will visit the Apartment at least once a week.**

6.2 **The water and electricity current in the Apartment are disconnected.**

6.3 **The measures to mitigate the Insurer's risk stated in the Specification are operational and active.**

If the operation of the measures to mitigate the risk requires having electricity in the Apartment – section 6.2 above shall be attributed only to water.

7. Extending compensation for loss of income from lease fees for an additional period

If explicitly stated in the Specification, the insurance is extended to cover compensation for loss of income from lease fees of the Apartment or rent expenses for residential purposes for the Insured and his Family Members as long as the Apartment is not suitable to be lived in, subject to the determination of a licensing engineer, as this is defined in the Engineers and Architects Law, and thus beyond the period of 12 months as stated in section 2.3 in the Policy "calculation of compensation".

The compensation subject to this extension will be in the sum of NIS 5,000 per month, for an additional maximum period of 12 months or 24 months or 36 months subject to the Insured's choice, prior to the occurrence of the Insured Event, and as is explicitly stated in the Specification.

Payment for rent expenses subject to this paragraph is subject to reasonable proof that the lease fees for a substitute residence were indeed paid *de facto*.

8. Green Adira – coverage for a home photovoltaic device for producing electricity (hereinafter referred to as the “P.V. Device”)

If explicitly stated in the Specification, the insurance is extended to cover an Insured Event causing damage to the P.V. Device installed and permanently connected to the roof of the Insured structure provided **that the Insured has a valid agreement with Israel Electric Corporation to connect the P.V. Device to the Israel Electric Corporation’s grid and that the P.V. Device underwent an examination by Israel Electric Corporation that it is in good working order subject to said agreement, and subject to its terms and subject to the following:**

8.1 The sum insured for the P.V. Device is as stated in the Specification.

8.2 **The coverage subject to this extension will be given only to a P.V. Device with a voltage that does not exceed 50 kWh.**

8.3 An “Insured Event” for the purpose of this extension is as defined in Chapter A except for the theft risk.

8.4 **All of the exclusions to the coverage applicable subject to Chapter A – Home Insurance – shall apply to this extension as well.**

8.5 The coverage subject to this section is extended to cover as well accidental breakage to the P.V. Device provided that the breakage is what caused the P.V. Device to not be able to supply any energy whatsoever to the power grid of the Israel Electric Corporation Ltd. (hereinafter referred to as “Israel Electric Corporation”). The coverage subject to this section 8.5 is limited to the sum assigned thereto in the Specification.

The coverage subject to this section 8.5 above shall not apply in the event of damage caused directly or indirectly as a result of or following:

8.5.1 **Contamination, except for contamination caused by one of the risks specified in section 1.2 above.**

8.5.2 **An inherent vice in the Insured’s property, gradual deterioration, regular amortization and wear and tear, faulty or inadequate planning, materials or work.**

8.5.3 **Sinking of the land of the Apartment structure or the foundations of the structure.**

8.5.4 **Damage caused as a result of repair or refurbishment of the Insured’s property.**

8.5.5 **Corrosion, rust, extreme cold or heat conditions, temperature changes, moisture, mold, rodents, insects, or scrapes.**

8.5.6 **Mechanical breakage, an irregular mechanical or electrical action, unless caused due to an accident or due to the risks as defined in section 1.2 above.**

8.5.7 **A device “older” than 15 years.**

8.6 The coverage subject to this section, is extended to cover the P.V. Device also due to **consequential damage** caused to the Insured due to an Insured Event as defined above including in section 8.5, due to which the P.V. Device cannot continue to

- supply electricity absolutely to the Israel Electric Corporation's electricity grid **for a period of 4 days at least and no more than 30 days in total.**
- 8.7 The compensation for the Insured due to consequential damage as defined in section 8.6 above shall be calculated as follows:
- 8.7.1 Average daily amount of kWh measured with the production meter of the P.V. Device in the three months preceding the date of occurrence of the Insured Event multiplied by the sale price per kWh subject to the agreement between the Insured and Israel Electric Corporation.
- 8.7.2 Less the average daily amount of kWh measured with the consumption meter of the electricity of the Insured's structure in the three months preceding the date of occurrence of the Insured Event multiplied by the average cost per kWh according to the consumption bills of Israel Electric Corporation for the Insured's structure for said period.
- 8.7.3 And all, multiplied by the number of days in which the P.V. Device did not supply electricity to the Israel Electric Corporation grid due to the Insured Event.
- 8.8 **The coverage subject to section 8.6 will be limited to the Insured's consequential damage for no more than 30 days in which the P.V. Device cannot supply electricity to the Israel Electric Corporation grid.**
- 8.9 **Deductible – the Insured will not be entitled to any compensation for consequential damage caused thereto as defined in sections 8.6 and 8.7 above, if the P.V. Device was not able to supply electricity to the Israel Electric Corporation's electricity grid for 4 days or less.**
- 8.10 **The deductible due to the damage to the P.V. Device (except due to section 8.7 above) will be according to the sum stated in the Specification.**

CHAPTER A1 – ADDITIONAL SUM INSURED IN A CONDOMINIUM

This chapter shall apply only if stated in the Specification.

1. The Insured Event

The Insured Event is damage caused to an apartment in a condominium, owned by the Insured or for which the Insured has a long-term lease, as a result of an earthquake risk as stated in the definition of the Insured Event chapter, at a rate no lower than 70% of the Apartment Sum Insured, as stated in the Specification, and according to the determination of a real estate appraiser, as defined in the Real Estate Appraiser Law, 5761 – 2001, or licensing engineer, as defined in the Engineers and Architects Law, as the case may be, or if following the damage caused as aforementioned a demolition order was given for the condominium.

2. Calculation of compensation

After the occurrence of the Insured Event, Insurance Benefits payable to the Insured subject to this chapter will be calculated and paid according to the additional sum insured stated in the Specification, and all subject to the content of Chapter G section 2.

3. No underinsurance

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

CHAPTER A2 – EXTENDED COVERAGE FOR ADDITIONAL SUM IN A CONDOMINIUM

If explicitly stated in the Specification, that coverage for Chapter A2 extended coverage for additional sum in a condominium is in effect, then the coverage as stated in Chapter A1 shall be extended as well to an Insured Event caused as a result of one of the risks specified as abovementioned in Chapter A sections 1.2.1 – 1.2.6 and 1.2.8 – “the Insured Event”, and thus in addition to the coverage as a result of the earthquake risk.

The abovementioned does not change the nature of coverage, Insured Event, calculation of compensation, or no underinsurance, as stated in Chapter A1 above.

CHAPTER B – CONTENTS INSURANCE

- 1. For the purposes of this Policy, “contents” means – any object or thing in the Apartment, which are owned, possessed or subject to the liability of the Insured or his Family Members, except:**
 - 1.1 Motorized vehicles, caravans, trailers, boats, and aircrafts.**
 - 1.2 Animals.**
 - 1.3 Securities, bonds, share certificates, loan certificates.**
 - 1.4 Contracts, letters of undertaking, sale deeds, various certificates and documents.**
 - 1.5 Gold, silver or precious metal, in raw form, diamonds and other gems that are not part of jewelry.**
 - 1.6 Weapons, ammunition and explosives, except for a licensed weapon.**
 - 1.7 Manuscripts, plans, sketches, diagrams, samples, patterns.**
 - 1.8 Accounting ledgers and other business books.**
 - 1.9 Equipment and stock used for business only, unless otherwise stated in the Specification.**
 - 1.10 Checks, travelers checks, postal checks, promissory notes and various deeds, travel tickets, flight and cruise, raffle tickets.**
 - 1.11 Things or objects in the garden, stairwell, on fences or paved pathways which are part of the Apartment provided that by nature they are not supposed to be outside the Apartment. Coverage subject to this section for things or objects that by nature are supposed to be outside will be limited to 2% of the contents Sum Insured.**

- 2. Limiting the Company’s liability for certain contents items:**

If the Specification does not explicitly state special insurance sums for the following contents items, the Insurance Benefits for loss or damage vis-à-vis each of the following will be up to these sums:

 - 2.1 Cash or gift cards – up to 1% of the contents Sum Insured.
 - 2.2 Silverware – up to 20% of the contents Sum Insured.
 - 2.3 Sculptures, paintings, works of art, antiques, and collections with historical, scientific or artistic value – up to 20% of the contents Sum Insured.
 - 2.4 Carpets – up to 20% of the contents Sum Insured.
 - 2.5 Furs – up to 10% of the contents Sum Insured.
 - 2.6 Stamp collection – up to 10% of the contents Sum Insured.
 - 2.7 Coin collection – up to 10% of the contents Sum Insured.
 - 2.8 Jewelry and gold objects – up to 10% of the contents Sum Insured.
 - 2.9 Wrist watches – up to 10% of the contents Sum Insured.

- 3. Calculation of compensation**
 - 3.1 The Insurance Benefits payable to the Insured subject to this chapter will be calculated and paid according to the value of the loss or damage, however no sum shall be paid beyond the Sum Insured stated in the Specification as the contents insurance sum, and all subject to Chapter G section 2 below. Insurance Benefits for

loss or damage to a number of items will not exceed the sum stated in the Specification, if stated, as the items' Sum Insured.

- 3.2 The Insurance Benefits will be calculated in a manner that will reinstate the Insured, as much as possible, to the situation he would have been in had the Insured Event not occurred.
- 3.3 The compensation will include as well loss or damage to clothes and personal items of household workers of the Insured while they are in the Apartment at a sum that does not exceed 5% of the contents Sum Insured, and thus for the risks specified in sections 11.2.1 – 11.2.9.

4. Underinsurance

If at the time of executing the insurance contract, the contents Sum Insured is lower than the value of the contents by at least 15%, the Insurer's liability will decrease at a relative rate which is the ratio between the Sum Insured and the value of the content at the time of executing the contract. Each item which was ascribed in the Specification a separate Sum Insured is subject to this term separately. The provisions of this section shall not apply to the Limits of Liability set in the Policy or in the event in which the contents Sum Insured is determined by the Insurer or anyone on its behalf.

5. Water risks and other liquids

- 5.1 The insurance is extended to cover water risks and other liquids that caused loss or damage to contents, and were first discovered during the Period of Insurance, as a result of the escape or leaking of water or any other liquid from the plumbing and heating installations of the Apartment or another asset in the Condominium, including rupturing, clogging, or overflowing of boilers and pipes, **however excluding the cost of the water, and wear and tear, corrosion, and rust caused to the boilers, pipes, and plumbing installations themselves.** As for damage the source of which is another asset in the Condominium, the Insurer may limit the scope of the coverage to a number of events which will be no less than one event during the Period of Insurance.
- 5.2 **Water and other liquids risk insurance will not be covered by the Policy when the Apartment is unoccupied.**

6. Unoccupied Apartment

If explicitly stated in the Specification, the insurance is extended to cover the Apartment for the period of time in which the Apartment is unoccupied.

Measures to mitigate the Insurer's risk for covering an Unoccupied Apartment:

- 6.1 **A reliable person will visit the Apartment at least once a week.**
- 6.2 **The water and electricity current in the Apartment are disconnected.**
- 6.3 **The measures to mitigate the Insurer's risk stated in the Specification are operational and active. If the operation of the measures to mitigate the risk requires having electricity in the Apartment – section 6.2 above shall be attributed only to water.**

The coverage subject to this extension shall not apply to jewelry, wristwatches, furs, and cameras.

7. Extended coverage for part of the contents outside the Apartment within the territory of the State of Israel

The Policy is extended to cover the Apartment contents of the Insured and his Family Members insured by this Policy, while outside the Apartment, against an Insured Event as defined in this Chapter and subject to the Policy exclusions and terms and except for the theft risk, and as well not while they are in any event, and not while they are abroad.

In addition, this extension covers bicycles without a motor and thus up to NIS 5,000, unless otherwise stated in the Specification. **Means to mitigate the Insurer's risk: while the Insured is not riding the bicycle, the bicycle will be locked whereas the term "locked" means tied with a chain and lock to a massive object anchored to the ground or wall or in a storeroom with closed and locked openings.**

8. Extended coverage for part of the contents outside the Apartment: all countries of the world (not in Israel)

The Policy is extended to cover the contents as specified below, belonging to the Insured or the Family Members who regularly live with him in the Apartment, while it is temporarily outside the Articles of Association in all countries of the world, against the risks covered by this Chapter, **and except for the transfer or delivery of the contents without the accompaniment of the Insured or his Family Members, or leaving it in any vehicle.**

8.1 Clothes personal items and personal luggage – up to 10% of the contents Sum Insured.

8.2 Jewelry, watches, furs, cameras, video cameras and binoculars, bicycles and sports equipment, stated explicitly in the Specification for the purpose of this extension.

It is emphasized that if specific items as aforementioned are not mentioned in the Specification, this extension will not apply to the items stated in section 8.2.

9. Coverage for the Insured as a tenant

The Insurance is expanded to include loss or damage which the Insured is responsible for, however only as a tenant and not as a homeowner, and which was caused directly to the Apartment, its attachments and the homeowner's accessories therein or attached thereto, as a result of the risks specified in the Insured Event section – **except while the Apartment is unoccupied.**

The Insurer's liability for this subsection shall not exceed 10% of the Sum Insured for Chapter B – Apartment contents insurance.

10. Documents recovery

In the event of loss or damage to personal certificates or personal documents of the Insured or his Family Member as a result of the risks insured in this Chapter, the Company will compensate the Insured for the reasonable and essential expenses he paid for their recovery, up to the sum of 1% of the contents Sum Insured throughout the Period of Insurance. **Except**

for the value of the information or any other value included in the documents or certificates.

11. Exclusions and risks not covered by the contents insurance chapter

11.1 The Company will not be liable for loss or damage caused whether directly or indirectly as a result of one or more of the following factors:

11.1.1 Leaking of rainwater through the walls or ceiling or their absorption therein.

11.1.2 Malicious acts:

11.1.2.1 Done while the Apartment was unoccupied.

11.1.2.2 Done by the Insured or his Family Members or with their consent.

11.1.2.3 Done by people living in the Apartment with the Insured's permission or consent.

11.1.3 Theft, robbery, burglary or the attempt thereof, while the Apartment is unoccupied.

11.1.4 Theft, robbery or the attempt thereof with regard to contents on an open balcony, which by nature should not be outside the Apartment.

11.1.5 Any water damage and other liquids except for that which is stated in section 5 to the contents chapter, water risks and other liquids.

11.1.6 Moth, other insects, worms, rodents, gradual deterioration, wear and tear, moisture, rust and corrosive processes, atmospheric or climate elements with a gradual influence except for an event of loss or damage to contents as a result of wear and tear of a base, holder or carrier.

11.1.7 Mechanic and/or electric and/or electronic breakage of any kind whatsoever.

11.1.8 Overvoltage, overload, short circuit, electric arc, and self-heating of electric installations and engines.

11.1.9 Death or other physical damage to animals.

11.1.10 Damage arising from the movement of earth, except if caused as the result of an earthquake.

11.1.11 Damage arising from material fatigue, or arising from faulty maintenance or overload.

11.1.12 Damage arising from faulty planning and/or construction and/or work.

11.1.13 Accidental breakage and loss of the following items: glasses, contact lenses, hearing aids, false teeth, mobile phones, tablets, palm computers, and wearable computers.

11.2 Notwithstanding the abovementioned it is hereby agreed and declared that sections: 11.1.5, 11.1.6, 11.1.7, 11.1.10, 12.1.11, shall not apply in cases in which damage was caused as a direct result of the following risks:

- 11.2.1 Fire, lightning, thunder, and smoke as an extraordinary phenomenon and not a regular phenomenon.
- 11.2.2 Explosion or catching fire.
- 11.2.3 Wind that exceeds 30 knots, including rain that fell at the time, snow or hail, **excluding leaking of rainwater through the walls or the ceiling, or their absorption therein.**
- 11.2.4 Fall of an aircraft, fall of objects from an aircraft, sonic boom caused by an aircraft.
- 11.2.5 Contact or collision of a vehicle with the Apartment.
- 11.2.6 Malicious acts, **excluding:**
 - 11.2.6.1 **Malicious acts done in an Unoccupied Apartment.**
 - 11.2.6.2 **Malicious acts done by the Insured or his Family Members, or with their consent.**
 - 11.2.6.3 **Malicious acts done by people living in the Apartment with the Insured's permission or consent.**
- 11.2.7 Theft, robbery, burglary, or the attempt thereof, **except:**
 - 11.2.7.1 **When the Apartment is unoccupied.**
 - 11.2.7.2 **Business contents when the Apartment is not only used for residential purposes.**
 - 11.2.7.3 **If performed by one of the Insured's Family Members or by a person living in the Apartment with the Insured's permission or consent.**
 - 11.2.7.4 **Contents on an open balcony on the roof level or ground floor which by nature should not be outside the Apartment.**
- 11.2.8 Unlawful assembly and riots.
- 11.2.9 Earthquake, including a tsunami caused by an earthquake, provided that the Insured did not waive coverage against this risk in the manner stated in Regulation 5a regarding the deductible for damage as a result of this risk. Earthquakes occurring 72 consecutive hours after the occurrence of the first earthquake will be considered a single event.
- 11.2.10 Flood or flooding from an external water source **except for a tsunami as stated in paragraph 11.2.9.**

12. **Garden furniture and equipment insurance**

The insurance is extended to cover damage caused to garden furniture and equipment belonging to the Apartment contents and located on the balcony, garden, roof or yard of the Insured. **The Insured Event subject to this subsection is limited to loss or damage caused as a result of fire, lightning and explosion risks only, and the Insurer's liability will not exceed 5% of the Sum Insured of Chapter B – Apartment Contents Insurance.**

13. **Extension for storeroom contents**

The insurance is extended to cover loss or damage to contents, while outside the Apartment, in a storeroom or ancillary structure constructed of blocks and/or concrete or

roofing tiles and are regularly locked, and are located at the address of the insured contents and subject to section, the Insured Event, **except:**

- 13.1 **Damage occurring at a place where not all openings are locked.**
- 13.2 **Damage not accompanied by visible signs of violence at the entrance or exit.**
- 13.3 **Property belonging to the type of property stated in section 2 to Chapter B.**

The Insurer's liability for this subsection shall not exceed 10% of the contents Sum Insured.

14. Key change expenses

The Insurance is extended to cover the costs paid *de facto* by the Insured or by his Family Members for changing keys or locks of exterior doors or for the Apartment or other property belonging to the Insured or used thereby, including a remote control for the vehicle or electric gate, as a result of an Insured Event covered by the Home Insurance and Contents Insurance chapter.

The Insurer's liability for this subsection shall not exceed NIS 1,000 for one event or for the total events paid during the Period of Insurance.

This extension does not derogate from or limit the Insured's eligibility for Insurance Benefits, due to damage as a result of an Insured Event to any key or lock, subject to this Chapter.

15. Insurance for contents of bank safety deposit box

If explicitly stated in the Specification, the insurance will cover loss or accidental damage caused to the Insured's property while it was solely in the bank safety deposit box, in the bank's vault, the name of address of which appear in the Specification, during the Period of Insurance.

For the purpose of this section, **the insured property:** the contents of a bank safety deposit box registered to the name of the Insured and located at the bank registered in the Specification, including valuables according to a specified list or estimate of a certified appraiser delivered to the Insurer prior to the occurrence of the Insured Event, securities registered to the name of the owner, bearer securities, shares, promissory notes, bonds and valuable documents, cash, gift certificates, checks, and deeds. **Except:**

- 15.1 **Loss or damage as a result of moths, other insects, worms, gradual deterioration, gradual wear and tear, atmospheric or climate elements with gradual influence.**
- 15.2 **Theft by using the key or copy thereof of the bank safety deposit box, unless the key was obtained by using threats or violence or by fraud or theft.**
- 15.3 **Mysterious and unexplained disappearance of the insured property or when something is missing that cannot be attributed to accidental physical damage.**
- 15.4 **Value of the information stored in the insured property.**
- 15.5 **Consequential damage caused to the Insured, his Family Members or Beneficiary as a result of the occurrence of an Insured Event, including changes to the price of securities or changes to currency value.**

15.6 Stock or raw materials used for the Insured's business.

The Insurer's liability to pay Insurance Benefits subject to this extension will not exceed the following:

15.7 For stamp collections, that are not Israeli stamps – 75% of their value stated in the last Stanley Gibbons catalogue.

15.8 For Israeli stamp collections – the market value on the date of occurrence of the Insured Event.

15.9 For securities - the market value on the date of occurrence of the Insured Event.

15.10 For cash, gift certificates, checks and deeds – their par value.

15.11 For jewelry, gems and precious stones - the market value on the date of occurrence of the Insured Event.

16. Coverage for business activity in the Apartment

If explicitly stated in the Specification, the insurance is extended to cover business activity.

16.1 Definitions:

Business activity – the Insured's business activity as the operator of an office or clinic at his Apartment insured by this Policy, provided that the Insured lives in this Apartment.

Business contents – contents used for the purpose of the Insured's abovementioned business, including medical equipment, furniture, equipment, and stationary electronic equipment such as a personal computer, scanner, facsimile machine, printer, and photocopy.

16.2 Insured event:

16.2.1 Loss or damage caused to the business contents during the Period of Insurance as a result of an Insured Event as specified in the Insured Event section **except for theft. The Insurer's liability for this extension shall not exceed the sum stated in the Specification for the business contents. **Business contents will be stored in the Apartment only and will not be stored in any warehouse.****

16.2.2 Third party liability insurance as stated in Chapter D (except for the exclusion stated in Chapter D section 4.3) and subject to the Limits of Liability stated in the Specification, provided that the Specification notes that Chapter C third party liability insurance is in effect.

16.2.3 Insurance for the Insured's legal liability towards 2 of his employees (at most), employed thereby for the purpose of his business activity described above as clerks, assistants and/or cleaners, as specified in Chapter E – insurance for employer's liability towards household workers (except for the exclusion stated in section 2.9) and according to the Limits of Liability stated in the Specification, provided that it is stated in the Specification that Chapter E employer liability insurance towards household workers is in effect.

CHAPTER C – TERRORISM LOSSES INSURANCE

(AS PART OF THE ENEMY ACTIONS AND TERRORIST ACTS EXCLUSION)

Whereas this Policy does not cover any damage for which the Insured has a right to compensation subject to the Property Tax and Compensation Fund Law 5721 – 1961, whether this right is partial or full for any sum of the damage, even if this right was rescinded due to failure to comply with any of the provisions of the abovementioned Law, if it is stated explicitly in the Specification that the terrorism losses insurance is in effect, the Insurer will indemnify the Insured, subject to the terms of the Policy, its definitions and exclusions, for physical loss or damage to the structure of the Apartment, if insured subject to Chapter A or the Apartment contents, if insured subject to Chapter B, which were caused due to terrorism.

1. Definition

“Terrorism” - destruction or harmful action to property, done by a person or by people, whether member/s of any organization or not, that is/are hostile to the State of Israel, and due to this hostility.

2. Sums of compensation

2.1 The coverage subject to this Chapter will be for the surplus sum of damage beyond the compensation sum which the Insured is entitled to receive subject to the Property Tax and Compensation Fund Law 5721 – 1961 and its regulations (hereinafter referred to as the “Property Tax Law”).

2.2 **The Insurer will not be liable for any sum to which the Insured is entitled subject to the Property Tax Law, not paid to the Insured by the Property Tax and Compensation Fund, due to failure to comply with any of the provisions of the Property Tax Law or since the claim was not submitted to Property Tax and Compensation Fund.**

2.3 In any event the Insurance Benefits subject to this Chapter shall be no less than the sum equal to 10% of the sum which was paid *de facto* for terrorism losses by the Property Tax and Compensation Fund.

3. Exclusions to the Insurer’s liability

This Chapter does not cover loss or damage –

3.1 **Caused or arising from burglary or theft or by people taking part therein.**

3.2 **Caused directly or indirectly by any action, act or incident in connection with war, invasion, foreign enemy including belligerent acts or actions similar to war (whether declared or not), done by the forces of a country which is a member of the United Nations and has voting rights at the General Assembly of said organization.**

3.3 **Which is glass or windshield breakage, if that was the only damage.**

3.4 **Which is consequential damage of any kind, except for that which is stated in the Policy with regard to loss of lease fees or rent expenses for residential purposes, following an Insured Event.**

3.5 Caused or arising from the use of unconventional means, including nuclear, biological and chemical.

4. Special condition

The payment of Insurance Benefits subject to this Chapter, is contingent upon the Insured proving that the insured property was indeed lost or damage due to terrorism as it is defined above or by presenting -

4.1 Written confirmation from the police or Ministry of Defense, or –

4.2 Written confirmation from the Property Tax and Compensation Fund Administration, as defined by law.

CHAPTER D – THIRD PARTY LIABILITY INSURANCE

If explicitly stated in the Specification, coverage for Chapter C third party liability insurance is in effect, then the following terms shall apply:

1. Insured Event

The Insured Event is the liability of the Insured or his Family Members, including his household workers, to pay to a third party subject to the Torts Ordinance (new version), subject to the Limits of Liability stated in the Specification due to an accidental event that occurred within the geographical territory and caused -

- 1.1 Death, disease, injury, bodily impairment, psychological impairment, mental impairment.
- 1.2 Loss or damage to third party property.

2. Claim management

- 2.1 The Insurer may, and subject to the demand of a third party – must, pay to the third party the Insurance Benefits which the Insurer owes the Insured, provided that it notified the Insured of this in writing as stated in section 2.2 and the Insured did not object as stated in said section, however any argument which the Insurer can make against the Insured can apply as well to the third party.
- 2.2 If the third party demanded from the Insurer Insurance Benefits as stated in section 2.1, the Insurer will notify the Insured in writing within 7 business days from the date of demand regarding the aforementioned demand, and if the Insured does not deliver his objection to payment of compensation within 30 days, the Insurer will pay to the third party the Insurance Benefits payable to the Insured, if it must pay them.
- 2.3 The Insurer may take upon itself or manage on behalf of the Insured the defense of any claim, and the Insured will give the Insurer, as per its request, assistance necessary for the Insurer to settle the claim of the third party.
- 2.4 In the event of a claim or claims against the Insured arising from one Insured Event or a series of events which can be attributed to one source or one reason, and are covered subject to this Chapter of the Policy, the Insurer will be entitled to pay to the Insured the entire Sum Insured subject to this Chapter, and after such payment, the Insurer will be exempt from managing the aforementioned claim or claims and the Insurer will bear no further liability in connection therewith, aside from legal expenses determined by the court or reasonable expenses paid in connection with the said claims.

3. Coverage for legal expenses

In the event of a claim for the payment of Insurance Benefits subject to this Chapter, the Insurer will pay the reasonable legal expenses which the Insured must pay due to his liability, even beyond the Limits of Liability subject to this Chapter.

4. Exclusions to the third party liability

The Insurer will not be liable to indemnify the Insured for any sum he is ordered to pay or which he paid if the cause thereof arises from any of the following:

- 4.1 Liability towards employees that between then and the Insured there are employer-employee relations.**
- 4.2 Damage caused to the Insured's Family Members or a household worker of the Insured.**
- 4.3 Liability of the Insured towards a third party directly related to the profession or occupation of the Insured, unless coverage for such activity is explicitly stated in the Specification.**
- 4.4 The Insured's professional liability or liability arising from products manufactured, treated, marketed, or maintained by the Insured as part of any business activity.**
- 4.5 A vehicle subject to the definition in the Compensation to Victims of Road Accidents Law, 5735 – 1975, crane, lifting device, aircraft, boat, motorized vehicle used for travel.**
- 4.6 Use of weapons.**
- 4.7 Animals that are not domestic pets, dangerous dog or from a dangerous breed, as defined in the Regulation of Dog Supervision Law, 5762 – 2002.**
- 4.8 Use of a swimming pool that has a filtering system, Jacuzzi or sauna external to the Apartment's structure, unless otherwise stated in the Specification.**
- 4.9 Works in the Apartment performed by a professional, and the duration of the works exceeds two weeks from the date of commencement of the work *de facto*.**
- 4.10 Claim submitted against the Insured in a court outside the borders of the State of Israel.**

5. No underinsurance

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

6. Adira Gold extended coverage for 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 for an Insured Event, while staying abroad as tourists, subject to the condition that the claim is submitted to a court in Israel and subject to the law applicable in the State of Israel.

7. Additional coverage to the third party liability insurance chapter -

7.1 Coverage for motorized bicycles / kick scooters

If explicitly stated in the Specification, notwithstanding exclusion 4.5, the Policy is extended to cover damage to the person and property of a third party as a result of the liability of the Insured or one of the Family Members living therewith, which caused damage and arises from the lawful use of a motorized bicycle (as defined in the Transportation Regulations) and/or motorized kick scooter and thus up to the Limits of Liability stated in the Specification for the event and the Period of Insurance, for this extension **provided that they were at least 21 years old on the date of the event and were riding in accordance with the provisions of the law.**

For the removal of doubts, “Segway” and/or “motorized skateboards” or any other motorized vehicle except for a motorized bicycle and/or motorized kick scooter are not covered subject to this extension.

Upon the occurrence of an Insured Event covered by this extension, the Insured will pay the deductible stated in the Specification pertaining to this extension beyond any other deductible arising from other coverages in the Policy whether related to the same event or not.

7.2 Swimming pool coverage – physical injury

If explicitly stated in the Specification, notwithstanding the content of exclusion 4.8, the Policy is extended to cover physical injury of a third party as a result of the Insured’s liability or one of the Family Members living therewith due to a private swimming pool and for his private use, located on the Insured’s premises.

Measures to mitigate the Insurer’s risk for coverage subject to this section, that the entrance to the yard where the swimming pool is located is closed and locked, and prevents free access to the swimming pool without permission.

7.3 Coverage for usage or possession of a firearm

If explicitly stated in the Specification, and notwithstanding the content of exclusion 4.6, the Policy is extended to cover physical injury and damage to property of a third party as a result of the Insured’s liability that caused the damage, arising from the use of a firearm, **and subject to the following terms:**

7.3.1 The Insured has a valid license to hold a firearm.

7.3.2 The Insured will take all precautions so the firearm does not reach untrained hands, and will store the weapon in a hiding place when he is not carrying it.

7.3.3 The firearm will not be loaded with bullets, except when in the hands of the license holder.

7.3.4 The Insurer’s Limits of Liability for use or possession of a firearm will be limited to 50% of the Limits of Liability stated in the Specification.

7.3.5 The coverage will not apply while the Insured uses the firearm in order to fulfill his duty as a soldier, Israel Police policeman, or Border Police, or as a security guard, professional or other occupation that requires he carry a weapon in order to fulfill his duty or do his job.

CHAPTER E – INSURANCE FOR EMPLOYER’S LIABILITY TOWARDS HOUSEHOLD WORKERS

1. If explicitly stated in the Specification that the insurance for employer’s liability towards household workers is in effect, the Insurer will indemnify the Insured, up to the Limits of Liability stated in the Specification, for sums which the Insured owes as compensation for his liability subject to the Torts Ordinance (new version 5728 – 1968), in the event of physical damage or disease that occurred during the Period of Insurance to the Insured’s household workers, **except for a driver during his employment while driving a motorized vehicle**, privately employed thereby and not for the purpose of his occupation or any business purpose whatsoever. The Insurer will pay as well the reasonable legal expenses which the Insured must pay due to his liability, even beyond the Limits of Liability stated in the Specification.

2. **Exclusions to the Insurer’s liability**
The Insurer will not be liable subject to this section for:
 - 2.1 **Any sum demanded from the Insured by the National Insurance Institute.**
 - 2.2 **Any sum paid by the National Insurance Institute for physical damage or disease as abovementioned.**
 - 2.3 **Any sum that would have been paid by the National Insurance Institute, however was not paid due to failure to comply with any of the provisions of the National Insurance Institute Law including its regulations.**
 - 2.4 **Any sum that would have been paid by the National Insurance Institute, however was not paid due to failure to submit a claim to the National Insurance Institute.**
 - 2.5 **Any liability of the Insured subject due to an agreement, which would not exist without said agreement.**
 - 2.6 **An event of physical damage or disease as abovementioned caused to an adolescent employed contrary to the provisions, laws or regulations pertaining to the employment of youth, or not in accordance therewith.**
Employment of an adolescent as a babysitter will not be considered employment of youth contrary to the provisions, laws or regulations pertaining to the employment of youth.
 - 2.7 **Any sum which the Insured was entitled to demand from any party whatsoever and is prohibited from demanding due to an agreement between the Insured and any party whatsoever. The Insured will repay to the Insurer any money paid thereto which he could have collected if not for said agreement.**
 - 2.8 **Any liability of the Insured arising directly or indirectly from the use of a vehicle or any other means of transportation whatsoever, boat, aircraft, including the loading and unloading of merchandise.**
 - 2.9 **An Insured Event that occurred to an employee of the Insured employed by the Insured for the purpose of the Insured’s business in his home, unless the Insured purchased an extension to business activity and this was explicitly stated in the Specification.**

2.10 Silicosis or asbestosis.

2.11 Any exclusion appearing in chapters A or B.

CHAPTER F – PERSONAL ACCIDENT INSURANCE

If stated explicitly in the Specification that personal accident insurance is in effect, the insurance subject to this Chapter will apply to an Insured Event (as defined below in the definitions section 1) occurring to the Insured as stated in the Specification, anywhere in the world.

1. Definitions

1.1 Insured Event

Accident – a sudden, coincidental and unexpected event, caused directly by an external physical and visible factor constituting without relying on any other reason, including psychological and/or emotional, the sole direct reason for one or more of the physical injuries that occurred to the Insured, as defined below and that are covered subject to the content of the Specification.

For the removal of doubts, it is hereby clarified that an injury as an accumulative result of microtraumas or as a result of the influence of verbal violence or as a result of psychological or emotional injury, do not constitute an accident subject to this Policy.

1.2 The Insured

The Insured subject to this Chapter is any of the Family Members the address of which is registered in the Specification and specified below, and them alone: the owner of the policy, the spouse of the owner of the Policy, children of the couple whose age is up to 18 full years.

1.3 Types of physical damage caused to the Insured due to the accident specified below and covered subject to the content of the Specification.

1.3.1 “Death”

Death as a result of an accident, occurring within 24 months from the date of the accident.

In this regard, the disappearance of the Insured for a period that exceeds 90 days, due to the loss or disappearance of a plane which the Insured was on or the drowning of a boat which the Insured was on, shall be considered death. (The abovementioned does not deny other situations in which a person’s death was proven after his disappearance from constituting an Insured Event).

1.3.2 “Disability”

The loss of an organ due to the physical separation from the body or complete or partial loss of functional capacity of one of the body’s organs.

1.3.2.1 “Full permanent disability”

Full permanent disability caused to the Insured which is determined by the criteria set in this Chapter.

1.3.2.2 “Partial permanent disability”

Partial permanent disability caused to the Insured which is determined by the criteria set in this Chapter.

1.4 Anywhere in the world

Anywhere in the world, **except for enemy states and/or territories controlled by and/or administrated by the Palestinian Authority.**

1.5 Extreme sports

Sports considered especially dangerous that *inter alia* include / demand from their participants high levels of difficulty and/or physical and/or emotional effort and/or adrenaline. Extreme sports will usually include one or more of the following components: speed, height and danger. A list of extreme sports is on the Insurer's website, and will be updated from time to time.

2. Exclusions to the personal accident chapter:

Unless otherwise stated in the Specification, this Policy does not cover:

2.1 Aesthetic scars.

2.2 Physical impairment, disability, or disease of any kind whatsoever that the Insured had prior to the accident.

2.2.1 If the Insured's age is less than 65 the exclusion applies for a period that does not exceed one year from the commencement of the Period of Insurance.

2.2.2 If the Insured's age is over 65 – the exclusion will be valid for a period that does not exceed six months from the commencement of the Period of Insurance.

In addition, unless otherwise stated in the Specification, this policy does not cover any Insured Event caused as a result of:

2.3 Suicide, or any attempted suicide.

2.4 Pregnancy or childbirth.

2.5 Action or influence of drugs or medication, including sleep medication, not prescribed by a certified physician, except for sleep medication which according to the acceptable medical guidelines, in order to use them no approval from a certified physician is required.

2.6 Alcoholism.

2.7 STDs.

2.8 Back pain not as a result of an accident.

2.9 Deterioration process of the spine.

2.10 Hernia.

2.11 Osteoporosis.

2.12 Nerve disorders.

2.13 Ionizing radiation or radioactive radiation of any kind whatsoever, radioactive contamination from nuclear fuel or any process, that fuels itself, of nuclear fission and from any wartime nuclear material.

2.14 If the Insured travels in an aircraft that is not legally licensed or travels as a crew member on any aircraft.

2.15 The activity of the Insured as an athlete registered in a sports club.

2.16 Extreme sports – with regard to the definition of extreme sports and detailing of the types of sports included in this definition, see details on the Insurer's website "definition of extreme sports".

- 2.17 Diving while using air tanks.
 - 2.18 The Insured's riding as a driver on a motorcycle, including a scooter, Segway, motorized bicycle / kick scooter / skates / other motorized devices and traveling on an ATV or jet-ski as the driver or passenger.
 - 2.19 Physical impairment, disability or any disease which the Insured had before the accident.
 - 2.19.1 If the Insured's age is less than 65 – the exclusion is valid for a period that does not exceed a year from the commencement of the Period of Insurance.
 - 2.19.2 If the Insured's age is 65 years or more – the exclusion will be in effect for a period that does not exceed six months from the commencement of the Period of Insurance.
 - 2.20 War, invasion, act of a foreign enemy, hostile acts, act of war (whether a war was declared or not), acts of sabotage and terrorism, civil war, uprising, revolution, rebellion, disobedience, riots, violent strikes, military coup or illegal coup d'état.
 - 2.21 Military actions, positions, drills, or trainings or military-preparatory trainings, of any kind or type (hereinafter referred to as the "Military Service"), or that arise directly from the Insured's Military Service and cases in which the Insured is entitled to compensation from a governmental / military entity (whether he had filed a claim for thus or not), or that occurred while the Insured was doing military service and the Disabled Law (benefits and rehabilitation) 5719 – 1959, combined version, applied thereto.
 - 2.22 Willful endangerment that was not done in order to save lives.
 - 2.23 Violence (of any kind whatsoever) in riots, unlawful assemblies and strikes, in which the Insured participated.
 - 2.24 Revolution, rebellion, riots, disturbances, acts of sabotage, violent strike, hunger strike, or any illegal or violent act defined as a crime.
 - 2.25 Medical or chronic treatment, except the kind that is necessary and required as a result of the Insured Event.
 - 2.26 Drowning while swimming or bathing, that occurred at an unauthorized location or against the instructions of the authority.
 - 2.27 Any disease which the Insured had or death, disability or incapacity caused and the disease was the deciding factor in causing them.
3. **Extension for the personal accident insurance chapter - passive war risk**
This chapter is extended to include an Insured Event as a result of:
War, invasion, act of foreign enemy, hostile acts, act of war (whether a war was declared or not), acts of sabotage and terrorism, civil war, uprising, revolution, rebellion, disobedience, riots, strikes, military coup or illegal coup d'état, **provided that the Insured does not actively participate in any actions, related to the risks stated in this section.**
4. **Payment of Insurance Benefits for the personal accident insurance chapter**

4.1 Death

In an Insured Event in which the Insured dies, the Insurer will pay to the beneficiary whose name is stated in the Insurance Schedule, and without any determination of a beneficiary by the Insured – to his legal heirs subject to the inheritance laws, the Sum Insured stated in the Insurance Schedule for the event of death. If due to said Insured Event Insurance Benefits were paid to the Insured for full permanent disability, or partial permanent disability, the Insurer will pay upon the death of the Insured only the difference, if any, between the sum payable subject to this section and the sum paid as aforementioned for the disability. **The Insurance Benefits will not be paid before a probate order is given and all if no beneficiaries are determined by the Insured.**

4.2 Disability

4.2.1 In an Insured Event causing the Insured full permanent disability, the Insurer will pay to the Insured the Sum Insured stated in the Specification for full permanent disability.

4.2.2 In an Insured Event causing the Insured partial permanent disability, the Insurer will pay to the Insured Insurance Benefits according to the disability rate given to the Insured, due to the Insured Event, out of the Sum Insured stated in the Specification for full permanent disability.

4.3 Determination of permanent disability

4.3.1 The rate of permanent disability caused to the Insured following an Insured Event covered by this Chapter, will be determined according to the relevant criteria determined for an injury of the type discussed in part A to the schedule to Regulation 11 of the National Insurance Institute Regulations (determining disability rate for work injuries) 5716 – 1956, (hereinafter referred to in this section as the “criteria”), apart from calculation in cases where there are multiple injuries, whereby the disability will be calculated as an accumulative disability. A determination of disability as aforementioned does not apply to the Policy any other provision whatsoever from the National Insurance Institute Law [combined version] 5755 – 1995 and its regulations.

4.3.2 If the injury is not specified in the criteria determined in part A to the schedule to Regulation 11 to the National Insurance Institute Regulations, the disability rate will be determined by an expert physician, according to a similar injury, among the injuries determined in the criteria.

4.3.3 If the Insured has a cause of action due to a work accident as well against the National Insurance Institute, due to the occurrence of an Insured Event, the determination made by the National Insurance Institute will be binding, according to the relevant criteria set in section 4.3.1 above, with regard to the rate of the Insured’s disability arising from the Insured Event, **and for work accidents only**, also the parties to this Policy provided that the Insured already submitted a claim against the National Insurance Institute, and the National Insurance Institute determined the claimant’s disability, before his

disability was determined between the parties as stated in section 4.3.1 above. The aforementioned does not obligate the Insured to wait for a National Insurance Institute disability determination, and he may approach the Insurer prior to said determination.

4.3.4 No coverage will be given to a disability rate added to the permanent disability, due to regulation 15 to the criteria “profession regulation”.

4.3.5 Any change to the disability rate after Insurance Benefits were paid will not obligate the Insurer, even if the change was determined by the National Insurance Institute Law [combined version] 5755 – 1995.

4.4 Maximum scope of the Insurer’s liability

The total Insurance Benefits which may be paid subject to sections 1.3.1, 1.3.2 above, shall not exceed in the event of death the sum stated in the Specification for the case of death, and in the event of disability shall not exceed the sum stated in the Specification for the case of disability. In any event, the sum of all compensation shall not exceed the sum higher among the two. And once the payments which the Insurer must pay due to an accident subject to this Policy reach 100% of the Sum Insured for death or disability, the validity of this Chapter will expire.

5. Claims and disclosing information

5.1 The Insurer must be notified immediately about the occurrence of an Insured Event, and the notice must specify the name and address of the Insured and the Policy number. The notice will be given in writing as near as possible to the occurrence of the Insured Event. All information and documents, as required by the Insurer, will be delivered thereto by the Insured or his personal legal representatives or by the beneficiaries and at their expense. If they do not have the information and documents, they must assist the Insurer, as much as they can, in obtaining them.

5.2 Upon the occurrence of any Insured Event, the Insured will be examined as soon as possible by a certified physician and will act according to his instructions.

The Insured, if so required, will undergo a physical examination according to the instructions of the Insurer and at his expense, for any physical damage which he claims occurred to him.

6. Beneficiaries

The beneficiaries in the case of death as defined in section 1.3.1 in the definitions above, will be anyone whose name is stated as a beneficiary in the Policy Specification or Proposal. Without names of beneficiaries, in the Specification or Proposal, the beneficiaries will be – the legal heirs of the Insured. An irrevocable determination of a beneficiary with regard to the rights in this Policy is contingent upon the explicit consent of the Insurer.

CHAPTER G – GENERAL TERMS FOR ALL OF THE POLICY CHAPTERS

1. Means of compensation

The Insurer may, subject to its discretion, choose one or more of the following means of compensation:

- 1.1 Payment of the value of loss or damage in cash.
- 1.2 Repair of the Apartment or contents lost or damaged, and reinstating them to a situation similar to their situation before the occurrence of the loss or damage.
- 1.3 Replacing the contents or part thereof or replacing parts in the Apartment with items of the same type and quality of those damaged or lost. As for jewelry, damaged in an Insured Event as specified in the contents chapter, in sections 11.2.1 to 11.2.10, subject to the Insured's consent and provided that they can be identified or replaced with identical jewelry.

2. Linkage of the Sums Insured

- 2.1 The Sums Insured stated in this Policy will change according to the changes to the Consumer Price Index published by the Israel Central Bureau of Statistics (hereinafter referred to as the "Consumer Price Index") last published before the beginning of the Period of Insurance and the Consumer Price Index last published before the occurrence of the Insured Event. Except for the Sums Insured subject to Chapter A which will change according to the changes to the Prices Indices of Input in Residential Building published by the Israel Central Bureau of Statistics (hereinafter referred to as the "Building Input Index"), last published before the beginning of the Period of Insurance and the Building Input Index last published before the occurrence of the Insured Event.
- 2.2 If during the Period of Insurance increases will apply to the Sums Insured subject to the Insured's request, and thus not as a result of linkage to the Consumer Price Index or the Building Input Index, any such increase will constitute an additional basic sum to which the abovementioned terms of linkage shall apply, and the basis for the increase will be the Consumer Price Index or the Building Input Index, as the case may be, last published before the date of commencement of the validity of the increase.

3. Linkage and interest for Insurance Benefits

- 3.1 Insurance Benefits payable to the Insured due to the occurrence of an Insured Event will change according to the changes between the Consumer Price Index last published before the occurrence of the Insured Event and the Consumer Price Index last published before the payment to the Insured, except for Insurance Benefits subject to Chapter A that will change according to the changes between the Building Input Index last published before the occurrence of the Insured Event and the Building Input Index last published before the payment to the Insured.
- 3.2 Interest will be added to the Insurance Benefits at a rate determined subject to the definition of "interest and linkage differentials" in section 1 to the Adjudication of Interest and Linkage Differentials Law, 5721 – 1961 (hereinafter referred to as the

“Interest Law”), 30 days after the date on which a claim for payment of Insurance Benefits was delivered subject to this Policy. This provision shall not derogate from the authority of the court subject to said Law.

4. Reinstatement value

4.1 Upon the occurrence of an Insured Event to the Apartment or contents, the Insurance Benefits will be according to the reinstatement value of the Apartment or contents, unless the Insured waived this coverage, and this was documented by the Insurer and stated in the Policy Specification, in this matter – “reinstatement” – rebuilding repair or replacement with new property of the same type and quality of the property lost or damaged.

Notwithstanding the abovementioned, the Insurance Benefits for electric devices that on the date of occurrence of damage type accidental breakage or loss, are older than 5 years, will be paid according to the indemnity value.

4.2 Insurance Benefits according to the reinstatement value of an Insured Event are contingent upon rebuilding by the Insured or repair or replacement of the property lost or damaged and thus without changing the quality and type of property lost or damaged. If the property lost or damaged was not rebuilt, repaired or replaced, the Insurance Benefits therefor will be according to the indemnity value.

4.3 If a separate Sum Insured is determined for an item from the contents items, the Insurance Benefits paid due to loss or damage caused thereto shall not exceed the sum ascribed thereto in the Specification.

4.4 If no separate Sum Insured is determined for an item from the contents items, however the Specification determines that Insurance Benefits will be according to the reinstatement value, Insurance Benefits for loss or damage caused thereto will be paid according to the reinstatement value.

4.5 **No Insurance Benefits will be paid according to the reinstatement value for loss or damage caused to clothing only.**

4.6 Insurance Benefits subject to this section will be paid according to the value of the property as new on the date of performing the reinstatement or according to its value as new on the date of paying the Insurance Benefits, according to the earlier of the two dates.

4.7 Execution of reinstatement should commence within a reasonable time after the occurrence of the loss or damage, and in any event it must be completed with regard to the Apartment within 12 months from the date of occurrence of the Insured Event and for contents – within 90 days from the date of occurrence of the Insured Event. If there is no possibility to complete the reinstatement within the aforementioned periods for reasons not within the Insured’s control, the execution period of the reinstatement will be extended upon coordination between the Insured and the Insurer.

4.8 The Insurer’s liability subject to this section shall not exceed the Sum Insured stated in the Specification regarding the Apartment, the contents, or the item, as the case may be.

5. Claim for Insurance Benefits

- 5.1 Upon the occurrence of an Insured Event, the Insured will notify the Insurer of this immediately after becoming aware of this.
- 5.2 A claim for the payment of Insurance Benefits subject to the Policy will be documented by the Insurer, the aforementioned does not prevent the Insurer from demanding that the claim be submitted in writing.
- 5.3 The Insured must deliver to the Insurer, within a reasonable amount of time after being demanded to do so, the information and documents required for investigating the liability and the scope thereof, and if these are not in his possession, he must help the Insurer as much as possible to obtain them.
- 5.4 The Insurer, immediately upon receiving notice from the Insured regarding the Insured Event, will do all that is necessary to investigate its liability.
- 5.5 The Insurance Benefits will be paid within 30 days from the date on which the Insurer receives the information and documents necessary to investigate his liability.

6. Notifying the police in acts of malice, burglary, theft or stealing

The Insured must notify the police regarding any case of loss or damage arising in his opinion from malice, burglary, theft, or stealing.

7. Finding property

- 7.1 If stolen property is found before Insurance Benefits were paid therefor subject to this Policy, the property will be returned to the Insured and the Insurer will not pay Insurance Benefits unless the returned property was damaged.
- 7.2 If the stolen property was found after Insurance Benefits were paid therefor, the Insurer will notify the Insured of this or vice versa. The found property will be transferred to the Insurer's ownership unless the Insured notifies the Insurer within 30 days from the date of notice from the Insurer or the Insured, as the case may be, that he wishes to receive the found property against repayment of the Insurance Benefits to the Insurer during the aforementioned period.

8. Advance payment and undisputed benefits

- 8.1 Upon the occurrence of an Insured Event the Insured will be entitled to receive from the Insurer an advance payment or monetary undertaking which will allow him to receive service to repair the loss or damage and thus against the money owing from the Insurer subject to the terms of this Policy.
- 8.2 If the Insurer pays an advance against the Insurance Benefits, said advance will be deducted from the final sum paid to the Insured. The calculation of the deduction will be done while attaching the advance to the Consumer Price Index or the Building Input Index, as the case may be, from the date of paying the advance until the final date of payment.
- 8.3 The undisputed Insurance Benefits will be paid within 30 days from the date on which the Insured submitted a claim subject to Chapter G section 5 for payment of Insurance Benefits, and they can be claimed separately from the rest of the benefits.

9. Reinstating Sums Insured

- 9.1 After payment of Insurance Benefits to the Insured due to an Insured Event, the Insurer will reinstate the scope of its liability subject to this Policy as it was near to the time before the occurrence of the Insured Event.
- 9.2 The Insurer may collect additional premiums for reinstating the scope of the insurance from the date of occurrence of the Insured Event until the end of the Period of Insurance. In order to calculate the premium which the Insured must pay for reinstating the Sum Insured, only Insurance Benefits paid by the Insurer *de facto* will be taken into account.

10. Deductible

- 10.1 Upon the occurrence of an Insured Event covered by this Policy, the deductible stated in the Specification for each claim will be deducted from the Insurance Benefits.
- 10.2 If a deductible is determined for a certain Insured Event as a percentage of the Sum Insured, the deductible will be calculated separately for each chapter of the Policy's chapters.
- 10.3 Without derogating from sections 10.1 and 10.2, upon the occurrence of an Insured Event covered subject to chapters A and B to the Policy, the Insured will be required to pay one sum of deductible, which will not exceed the higher among the sums specified in the Specification.

11. Payment of premiums and other fees

- 11.1 The premium and all other sums owing from the Insured to the Insurer in connection with this Policy will be paid in the manner and on the dates specified in the Specification.
- 11.2 For the purpose of this Policy, the premiums are the total of all payments which the Insurer is entitled to collect from the Insured, all as stated in the Specification.
- 11.3 If any sum owing from the Insured to the Insurer is not paid on time, the sum will bear an annual interest in arrears as stated in the Interest Law subject to changes to the Consumer Price Index, between the Consumer Price Index published near the date set for payment and the Consumer Price Index published near the date of payment *de facto*.
- 11.4 If no late sum was paid as aforementioned within fifteen days after the Insurer demanded in writing that the Insured pay it, the Insurer may notify the Insured in writing that the Insurance will be revoked after 21 additional days, if the late sum is cleared beforehand, if a beneficiary is determined who is not the Insured, and the determination was irrevocable, the Insurer may revoke the Insurance if he notified the beneficiary in writing regarding the aforementioned late payment and the beneficiary did not clear the late sum within fifteen days from the date on which said notice was delivered thereto.
- 11.5 The termination of the Insurance subject to this section shall not derogate from the Insured's duty to clear the late sum referring to the period up to said termination, and the Insurer's expenses.

12. Disclosure and change to a material detail

- 12.1 This Policy was issued based on the answers given by the Insured to the Insurer, in writing or in any other way documented by the Insurer, to all the question presented in the Proposal which served as the basis to the Policy, and based on the Insurer's assumption that the Insured gave full and honest answers to the questions presented as aforementioned, did not conceal with fraudulent intent a matter which he knew was material to the Insurer for the purpose of estimating the insured risks, and took precautions to prevent damages which the Insurer demanded in writing that they be taken in order to mitigate the risks insured subject to this Policy.
- 12.2 A material matter is a matter which a question therefor was presented in the insurance proposal in writing or in any other way documented by the Insurer, and without derogating from the generality of the aforementioned, also the following matters:
- 12.2.1 With regard to the Apartment: the Apartment address, value of the Apartment, type of structure, construction materials, location of the Apartment in the building, safety precautions of any kind, age of the Apartment, size of the Apartment, number of rooms, number of people regularly living there, additions and special changes.
- 12.2.2 With regard to the contents: description of the items constituting the contents, the value of the contents, specification of electric products: type, make, age, and value, and specification of valuables.
- 12.2.3 Without derogating from sections 23.2.1 and 12.2.2, with regard to the Apartment and the contents: damage the occurred in the last three years as a result of the risks covered by this Policy and details regarding previous Insurers that have insured or refused to insure the Apartment and the contents in the last three years.
- 12.3 If the Insured did not give full and honest responses to the questions in material matters, or he concealed from the Insurer with fraudulent intent a material matter, or did not take precautions required by the Insurer in order to mitigate the risks insured subject to this Policy, the Insurer will act subject to the provisions of the Insurance Contract Law. This section does not prevent the Insurer from using any remedy owing thereto by law.
- 12.4 The Insured will notify the Insurer during the Period of Insurance of any change applicable to a material matter, immediately upon becoming aware of it. If the Insured did not disclose such change to the Insurer, the Insurer will be entitled to terminate the Policy or reduce the scope of his liability, subject to the provisions of the Insurance Contract Law.

13. Termination of the Policy

- 13.1 The Insured may terminate the Policy at any time whatsoever prior to the end of the Period of Insurance, subject to his discretion. The Insurance will terminate on the date on which notice in the matter was delivered to the Insurer or on a later date according to the Insurer's request.

- 13.2 Without derogating from the Insurer's rights by law, the Insurer may terminate the Insurance prior to the end of the Period of Insurance due to fraud on behalf of the Insured or due to failure to disclose details he was asked about before the Policy was issued, provided that notice thereof, including the reasons for termination, is sent to the Insured by registered mail at least 30 days before the date on which the Insurance is terminated.
- 13.3 If the Insured gave notice about termination of the Policy as stated in section 13.1 or the Insurer gave notice about termination of the Policy as stated in section 13.2, the Insurer will promptly repay to the Insured, and no later than 14 days from the date on which the termination takes effect, the relative part of the of the paid premiums, the relative part as aforementioned will be calculated by multiplying the premiums collected by the Insurer with the ratio between the number of days left, on the date of termination, until the end of the original Period of Insurance, and the number of days included in the original Period of Insurance.
- 13.4 All sums repaid subject to this section will change according to the changes in the Consumer Price Index between the Consumer Price Index published near before the date of executing the payment of the premiums and the Consumer Price Index published near before the date of repaying the premiums, if the premiums were paid in installments, each sum will change according to the changes to the Consumer Price Index between the Consumer Price Index published near before the date of executing the payment and the Consumer Price Index published near before the repayment of the premium.
- 13.5 Notwithstanding the abovementioned in this section, a pledged policy will terminate 30 days after warning regarding the termination was given to the beneficiary.

14. Double insurance

- 14.1 If the Apartment or contents are insured against the risks included in this Policy by more than one Insurers for coinciding periods, the Insured will notify the Insurer of this immediately after taking out the double insurance or immediately after becoming aware of it.
- 14.2 In double insurance the Insurers are liable towards the Insured severally for the full amount, and among themselves they will bear the payment of Insurance Benefits according to the ratio between the Sums Insured.

15. Changing apartments

- 15.1 If the Insured changes the Apartment during the Period of Insurance and moves to another apartment (hereinafter referred to as the "New Apartment"), the Insured will be able, with notice to the Insurer and with its consent, to transfer the coverage subject to this Policy to the New Apartment and the coverage for the Apartment and contents will continue to be in effect for the New Apartment. Subject to the Insured's notice and according to the terms of the existing Policy, notwithstanding the abovementioned in this subsection, the coverage for the contents will continue to be in effect in both apartments for a period that does not exceed 3 days.

- 15.2 If the value of the New Apartment or new contents exceeds the value of the Apartment or the contents on the date of moving to the New Apartment, the Insured will increase accordingly the Sums Insured and pay to the Insured within 30 days from that day the premium differences pro rata for the increase in premiums, calculation of the premiums for increasing the Sums Insured will be done while taking into account the increase in the value of the Apartment or contents from the beginning of the Period of Insurance and until the moving day.
- 15.3 If the value of the New Apartment or new contents is less than the value of the Apartment or the contents on the date of moving to the New Apartment, the Insured will decrease accordingly the Sums Insured and receive from the Insured within 30 days from that day the premium differences pro rata for the decrease in premiums, calculation of the premiums for decreasing the Sums Insured will be done while taking into account the increase in the value of the Apartment or contents from the beginning of the Period of Insurance and until the moving day.

16. Subrogation

- 16.1 If the Insured has due to an Insured Event also a right to compensation or indemnity from a third party, not subject to an insurance contract, this right is transferred to the Insurer once it paid to the Insured Insurance Benefits and at the rate of benefits paid.
- 16.2 The Insurer may not use the right transferred thereto subject to this section in a manner that will infringe upon the Insured's right to collect from the third party compensation or indemnity beyond the benefits he received from the Insurer.
- 16.3 If the Insured received from the third party compensation or indemnity owing to the Insurer subject to this section, he must transfer it to the Insurer, if he agreed to a settlement, waiver or other action which infringes upon the right that was transferred to the Insurer, he must compensate him for it.
- 16.4 The provisions of this section will not apply if the Insured Event was caused accidentally by a person which a reasonable Insured would not have claimed therefrom compensation or indemnity, due to family relations or work relations or landlord and tenant relations between them, provided that the landlord and tenant have waived the right of subrogation towards each other.

17. Statute of limitation

- 17.1 The expiration period of a claim for Insurance Benefits subject to this Policy will be in accordance with the period stated in the Insurance Contract Law.
- 17.2 The expiration period of a claim for Insurance Benefits subject to the personal accidents chapter is three years after the occurrence of the Insured Event. If the cause of action is disability caused to the Insured from the accident, the counting of the expiration period will begin on the date on which the Insured's right to claim Insurance Benefits subject to the terms of the insurance contract is created.

18. Consequential damage

The Insurer will not be liable for any consequential damage caused to the Insured or the beneficiary as a result of the risks covered by the Policy, unless otherwise stated in the Policy.

19. Notices

19.1 Notice from the Insured or the beneficiary to the Insurer will be delivered to the Insurer in writing to one of the following:

19.1.1 The address of the Insurer's office, as stated in the heading to this Policy or any other address in Israel which the Insurer announces to the Insured or beneficiary from time to time.

19.1.2 The office of the insurance agent stated in the Policy – according to the address specified therein, or according to any other address in Israel which the mentioned insurance agent or Insurer announce to the Insured or beneficiary from time to time.

19.2 Notice from the Insured or beneficiary to the Insurer can be delivered by other means other than that stated in subsection 19.1 which the Insurer will announce to the Insured or beneficiary from time to time.

CONTACT INFORMATION

MAIN OFFICE

Harel House, 3 Abba Hillel St.
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P.O.B. 332 Haifa, 3133202
Tel. 04-8606444

Jerusalem district

Harel House, 3 Am VeOlam St.
Guvat Shaul, P.O.B. 34259
Jerusalem, 9134102
Tel. 02-6404545

General insurance claims call center

Tel. 03-9294000



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